



Marriott®

HOTELS · RESORTS · SUITES

Idea Square

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Meet the Team



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Our Philosophy

Idea Square Agency's Philosophy

Exceeding expectations by generating new ideas to find creative strategies and unique tactics from intense research to assist clients with their company's goals.



Executive summary:

Marriott Hotels and Resorts continues to be a leader in the hospitality and tourism industry. Marriott provides world-class amenities, customer service, and locations that have guests eager to return for another stay. Generating billions of dollars a year in the United States alone, the hospitality and tourism industry is growing rapidly. In our report, we will discuss Marriott's place in this booming industry, other major players in the tourism industry that compete with Marriott, the history of the company, target consumer profile, and an in-depth look at our research findings.

Situation Analysis

Overview

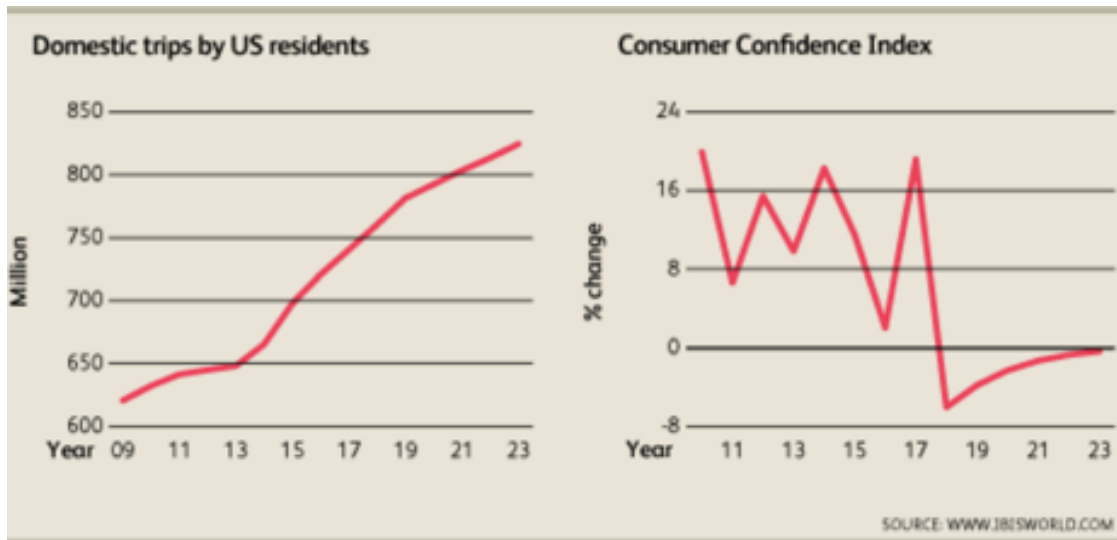
"Our team chose Marriott International because they are a key leader in the hospitality industry and a respected company all over the world. Marriott International offers a range of hotels and resorts that guests can pick whether it be for convenience or luxury. Marriott holds the highest market share and continues to maintain a strong presence in the hotel industry."

Industry Analysis

The industry in which Marriott operates is the Hotels and Motels industry. An overall current industry trend is that traveling is becoming increasingly popular, and millennials are very keen to travel which signals that this trend will most likely only be growing in the future. Companies in this industry offer short-term lodging for an inexpensive to moderate price. Guests enjoy necessary accommodations with few bells and whistles and get a fair price for excellent service. They often offer room service and breakfast at these hotels and can also have a gym, laundry services, and conference rooms.

This industry generates around \$185.2 billion on average annually and has seen a growth of 4.7% in the last five years. There are about 79,663 businesses operating in this industry and Marriott holds the highest market share at 19.7%. Marriott is well outperforming their competitors as Hilton comes in second at 13.5%. The Hotel and Motel industry is in the mature stage of its life cycle as the industry is growing at only a slightly faster pace than the economy. Industry value added is expected to grow by 3.0% annually over the next four years, and this trend of increasing domestic and international travel mentions that the industry will continue to be successful in the future. As tourism has grown in recent years, hotels have been filled much more frequently which has allowed them to increase room rates and still operate with low vacancy. This has generated a lot of additional revenue for the industry and has allowed for more expansion and new hotels to open across the country. Also, revenue volatility is low for this industry which shows it is a relatively stable and consistent industry with no huge spikes in profit decline or increase for the most part. However, the Consumer Confidence Index is expected to decrease in 2018 dramatically which could have a big impact on the industry.

Situation Analysis



The graph above shows the increase in domestic travel and the recent spikes in the consumer confidence index.

The hotel industry has medium to low seasonality as hotel rooms are in demand year round, but there is a higher seasonality such as around the holidays. Also, in the summer, the Marriott resorts near beaches and places that are considered hot travel destinations, such as Hawaii, would see an increase in demand in the summertime. The industry is susceptible to macroeconomic factors and the geopolitical environment. Potential terrorist threats to large cities and around specific events can dampen industry demand.

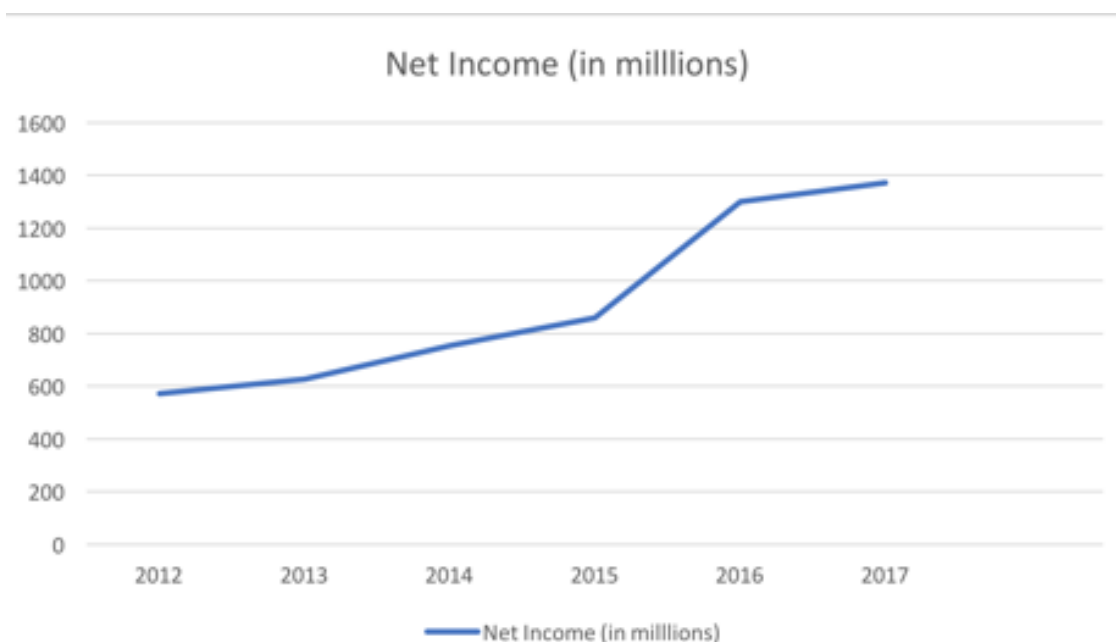
Demand is mainly composed of domestic travel, business travel, and international tourism. Roughly 50% of revenue for the industry comes from domestic travel. Domestic travel is heavily influenced by households' disposable income and changes in taxes as these factors. Determine how much extra money people have to spend on travel. The price of gasoline also plays a role in domestic travel rates as, naturally, higher gas prices dissuade people from taking trips. Business travel is influenced by economic factors and company profit and performance. Budget cuts for employee travel will be put into place if the company is suffering financially which would have an adverse effect on demand for the hotel industry. International tourism is affected by geopolitical factors, as aforementioned, and is also sensitive to changes in conversion rates for global currencies.

Situation Analysis

Client Profile

Marriott International, Inc. is a hospitality service business that operates hotels and restaurants. Marriott International, Inc. started out at a root beer stand in Washington D.C. in 1927 by John and Alice Marriott. They expanded their business and opened their first hotel in Arlington, Virginia, in 1957. Now, Marriott International, Inc. has 6,000 properties worldwide. The services are diversified and include full-service, select-service, extended-stay, and luxury. It owns various hotel chains which include Renaissance Hotels, flagship Marriott Hotels & Resorts, Courtyard, Fairfield Inn, and the Ritz-Carlton luxury chains. The company also recently acquired Starwood Hotels & Resorts Worldwide in 2016. The Marriott family own 30% of Marriott International, Inc. It is one of the key players in the industry. It operated in the Americas, Europe, the Middle East, Africa and Asia Pacific.

Marriott recently reported their fiscal net income for 2017 which was \$1.171 billion. This was a significant improvement from \$780 million in the 2016 net income which decreased from the \$860 fiscal net income million in 2015. Marriott International reported revenue of \$17 billion in 2016 and \$14.4 billion in 2015. As far as sales, in 2016 Marriott totaled \$17.072 billion. The one-year sales growth is calculated to be 17.85%. Growth is steady for the business. Below is a graph to visualize the growth for Marriott in terms of income.



Situation Analysis

Marriott operates through three reportable business segments. The North American Full-Service is the most extensive segment. It accounts for more than 60% of the company's revenue. Marriott's international division includes all franchises outside of the U.S. and Canada. After the acquisition of Starwood, more than 55% of Marriott International's properties are international. More than half of hotel rooms are operated by franchisees that pay the company fees and royalties. The owners of the franchises help reimburse for national advertising, marketing, and promotional services. Marriott International, Inc. creative strategy has been focusing on content marketing. For the past few years, the advertisements have been focusing on storytelling and the audience. Marriott created an in-house content studio and had made some short films that told stories and showcased the human experience. Entertainment is put before selling. However, it still delivers a sales package and can create profit for the business. Marriott positions itself as a company and brand that cares about the lives of consumers.



Marriott's media includes mostly online, print, and television. According to Kantar Media, Marriott spent \$102.1 million on measured media in just in the U.S.

For example, Marriott created a film names "French Kiss". The film showcases the features and benefits of the hotels. This film specifically brought \$500,000 to the company in 60 days. "French Kiss Official Film" <http://frenchkissfilm.marriott.com/>

The following are examples of other Marriott International, Inc. advertisements.

https://www.youtube.com/watch?v=v_NnElkgCD4

Situation Analysis

Competitors Analysis

Marriott has a range of competitors both direct and indirect in the hotel industry. Two direct competitors includes Hyatt Hotels Corporation and Hilton. And the indirect are comprised of HomeAway inc. and airbnb.

Direct Competitors:

Hilton Worldwide Holdings Inc.

The Hilton company was established in 1919 by Conrad Hilton in Cisco, Texas. Six years later, in 1925, the first hotel under the Hilton brand was established in Dallas, Texas. Hilton Worldwide Holdings Inc. (HWHI) is a global hospitality company. Hilton operates a chain of hotels and resorts, with 14 different brands that range from luxury to economy. In addition to lodging, the company also offers restaurants to guests. For repeat guests, whether that be frequent business travelers or vacation-oriented families, Hilton offers a loyalty program through their Hilton Honors Brand, where much like Marriott, loyal guests receive benefits for staying with Hilton holdings often.

Hilton Holdings' revenue has increased with the exception of 2016. However, it has increased since then and have a projected steady increase growth pattern.

Annual Financials for Hilton Worldwide Holdings Inc.

[View Ratios](#)

Fiscal year is January-December. All values USD millions.

	2013	2014	2015	2016	2017	5-year trend
Sales/Revenue	9.74B	10.5B	11.27B	7.38B	9.14B	

While Marriott remains the global brand leader in terms of market share with 19.7%, Hilton is the runner up at 13.5%.



Situation Analysis

Benefits of staying at a Hilton property are similar to that of Marriott. Hilton guests can expect the same level of quality in terms of service, restaurants, and accommodation across their properties worldwide. Christopher J. Nassetta, President and Chief Executive Officer of Hilton Worldwide Holdings, boasted in the 2016 annual report that Hilton sets the standard for hospitality. "For nearly 100 years, one name has been synonymous with hospitality: Hilton. At our core, we are a business of people serving people, and our team members strive to provide exceptional experiences at every hotel, for every guest, every time. We are incredibly proud to have shared our unparalleled hospitality with 160 million guests at more than 4,900 properties throughout 104 countries and territories in the last year." These values held to the core of the Hilton company is what positions Hilton in the league of trusted hospitality brands across the globe.

Hilton's strengths are also similar to that of Marriott's. Hilton boasts high cost efficiency, geographic diversification and a solid multi-branding strategy. What Hilton aims to work on is their overall business performance in their ownership segment, which is their major contributing segment that has been undergoing declines in revenues in the past few fiscal years.

In recent years, Hilton has been decreasing their advertising budget significantly.



Situation Analysis

For the future, Hilton plans on maintaining their steady growth, by expanding “into new markets and organically-developed new brands targeted at incremental market segments” (Nassetta, Hilton 2016 Annual Report). In the last seven years Canopy, Curio, Home2, Tru and Tapestry have been introduced to the Hilton brand family, which now make up more than 20 percent of total revenues, with Tru by Hilton becoming the fastest-growing brand in the company’s history.

Hilton also wants to continue to be a player in innovation for the hospitality industry and plans to capitalize on that in their media plan. Because guests statistically prefer web channels, 30 percent of distribution mix in 2016 has been devoted to web. The Hilton Honors app is a new implementation that will be further built upon in order to appease the tech-savvy guests. “Downloaded every eight seconds, and is the highest-rated travel app, providing unprecedented choice and control for guests. Through this app, guests can check-in, download their Digital Key on their mobile device and head straight to their self-selected room upon arrival” (Nassetta, Hilton 2016 Annual Report).

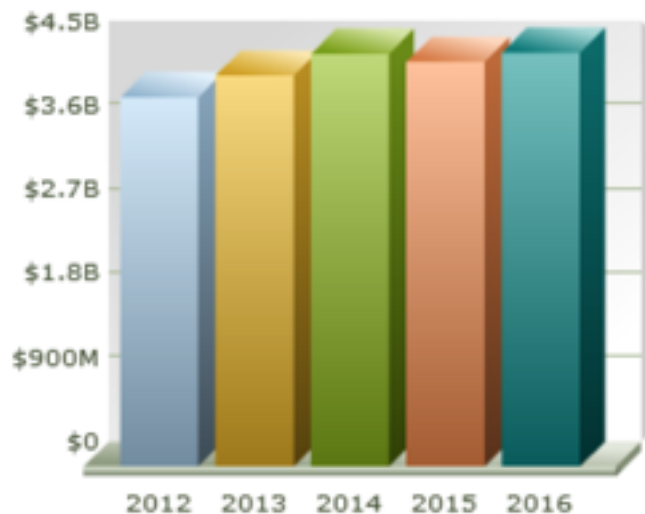
Hyatt Hotels Corporation

In 1957, Jay Pritzker purchased the Hyatt House motel that was close to the Los Angeles International Airport that led to the founding of Hyatt corporation. Jay and his brother, Donald Pritzker, collaborated with each other to lead Hyatt to become a popular North American management and hotel ownership company. The company became a public entity in 1962, and in 1968, Hyatt International was formed as a separate company. The Pritzker family privatized both Hyatt Corporation and Hyatt International Corporation in 1979 and 1982. Finally, on December 31, 2004, both Hyatt Corporation and Hyatt International Corporation were combined to become a single company which would be known as Hyatt Hotels Corporation. Hyatt Hotels Corporation has seen a steady, but slow revenue growth over the past five years. In January 2012, Hyatt’s revenue was just shy of \$4 billion where it was at \$3.95 billion. In January 2013, Hyatt saw an increase in revenue by 5.82 percent where it was \$4.18 billion. In January 2014, Hyatt’s revenue increased from \$4.18 billion to \$4.42 billion, a 5.74 percent increase that year. However, in January 2015, Hyatt saw a small decrease to \$4.33 billion, a 2.04 percent decrease in revenue. On the other hand, in January 2016, Hyatt’s revenue increased to \$4.43 billion for the year. Hyatt’s gross profit margin is at 22.23 percent while Marriott International, Inc. is at 16.12 percent.

Situation Analysis

Hyatt has numerous strengths and weaknesses that affect how it does business in the industry. Hyatt has strong customer loyalty programs for all twelve of its hotel brands. This encourages members to stay at their brands to earn points that can be redeemed at all its properties and third parties where they can convert those points to airline miles. They have a secure operation network as they operate 657 properties across 52 different countries all over the world. Hyatt has a multi-branding strategy that allows for them to chase after multiple market segments. They operate luxury hotels (Park Hyatt) to casual hotels (Hyatt Place and Hyatt House) which enables them to cater to various segments in the industry. Hyatt has seen growth in their cash position that allows them to complete short-term goals. Hyatt saw a 5.5 percent increase in cash and equivalents from the fiscal year 2015 to fiscal year 2016. However, Hyatt saw a decline in profitability in 2016 from \$318 million to \$299 million. The six percent decrease is attributed to the increased in expenses. Hyatt also suffer from an issue with revenue concentration. Despite having properties across 52 countries across the world, they see most of their revenue come from the United States. Hyatt generates a total of 80.6 percent of their revenue from the United States with the rest being through international properties. This poses an issue with dependency on one market can affect how they pursue markets in other countries.

Hyatt's most recent creative strategy is to focus on cultural diversity and understanding. Mark Hoplamazian, the CEO of Hyatt, said "We operate in 54 countries around the world, we employ people from hundreds of different nationalities, so we live this every day." Not only are they preaching this through the hotel business, but they are also trying to promote cultural understanding in different business markets and segments. Hoplamazian has stated that they are trying to take this creative position to help reflect the values of Hyatt. "Empathy plus action equals care. We think about understanding our own colleagues, which has led us to do things like turning over decision making around uniforms to our employees, so they can be their full selves at work and really bring themselves to work. It's based around the insight that we all have this innate desire to know and be known," says Hoplamazian.



Situation Analysis

Hyatt Hotels Corporation total selling, general and administrative expenses have been consistent for the past five years except in 2014 when it was higher than the average. In 2012, Hyatt had a SG&A (selling, general and administrative) expenses of \$316 million. In 2013, they had expenses of \$323 million. In 2014, their SG&A expenses increased by 18.89 percent to \$384 million. However, in 2015 and 2016, their expenses dropped to \$337 million and \$345 million during that time. In 2015, they had six percent decline in operating income due to the increase in SG&A expenses. Compared to Marriott International, Inc., Hyatt's selling, general and administrative expenses, on average, are less than half of what Marriott spent in the past five years.

Indirect Competitors: **HomeAway, Inc.**

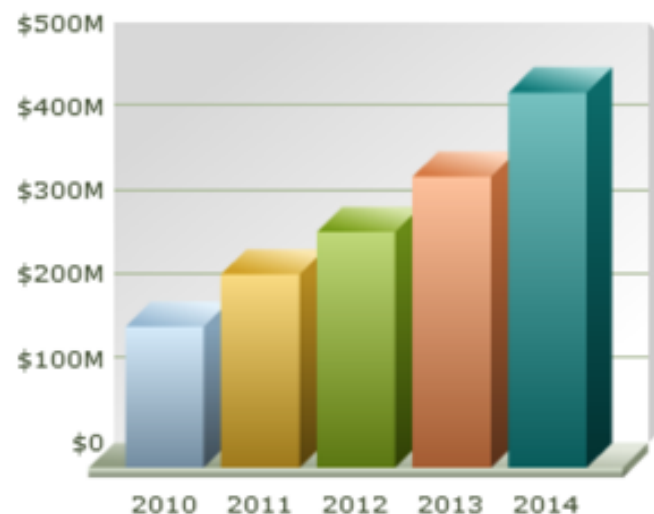
HomeAway is a free website that allows travelers search for vacation home listings from over one million listings across 190 countries in the world. The website is meant to help people that want to rent out their property to travelers that includes rates, availability, and other features along with photographs of the rental space. It was founded in 2005 as WVR Group, but the name was changed to HomeAway in 2006. The company was private until 2011 when it went public and Expedia (flight booking service) decided to purchase the company in 2015 for about \$4 billion. HomeAway also operates other websites that offer similar services like VRBO and VacationRentals in the United States. They also operate websites that are based in other countries like OwnersDirect (United Kingdom), Stavz (Australia) and many more across the world.

HomeAway has seen significant and steady growth from the years 2010 to 2014 with an average gross profit margin of 84.54 percent during that time. In 2010, HomeAway had a revenue of \$167.88 million. In 2011, their revenue increased to \$230.22 million. In 2012, they saw an increase in revenue to \$280.40 million. In 2013, they saw another significant increase in revenue to \$346.49 million. Finally, in 2014, their revenue increased to \$446.76 million that year. Over that five-year period, HomeAway's revenue increased by 166.12 percent from 2010 to 2014. The geographic reach of HomeAway is split up well for the company. Most of their revenue is generated by the United States at 60 percent while France is at 15 percent and with the United Kingdom hovering at 12 percent. About 85 percent of their revenue is from rental listings on their websites while the other 15 percent comes from services and products that are provided to the property owners.

Situation Analysis

HomeAway's sales and marketing strategy is to avoid what property owners and managers are doing right now by paying for online marketing, they want to attract tech-savvy travelers who regularly book vacations. They want their consumers to book more and travel more with listings provided by them through their multiple websites. The strategy HomeAway places in the market is by acquiring other services and products like different booking websites in different countries like Stayz and Bookabach (New Zealand). They own multiple websites across the United States and Europe and they plant to jump into the Chinese market with their services. They also offer services to their property owners where they can rent out temporary house during remodeling of their current property.

HomeAway does have a few strengths and weaknesses that affect the company in the industry. Their strengths include being involved in a niche market like Airbnb where they are focusing on renting out homes from property owners and providing the platform for them to post their listings. They also have a huge number of other websites they operate across the world, so they can attract the target audience in those areas of the world with the popular websites in those countries. They are also free of expenses on those properties as the owners are responsible for the upkeep and maintenance of their properties which eliminates the cost of maintenance for HomeAway. Another strength is that Expedia bought the company in 2015 which HomeAway can now have more users directed towards their services to increase the overall renter base on their websites. However, their weaknesses also play a role in the company like having responsibilities fall on them when incidents occur between the property owner and the renters like damages. They also have issues with awareness as people are more knowledgeable about Airbnb and the big hotels around the world that they don't know of HomeAway and its other websites. The rental properties are also relatively new so the success they are having right now can be short-lived as the industry hasn't matured quite yet while hotels have seen the maturity stage already.



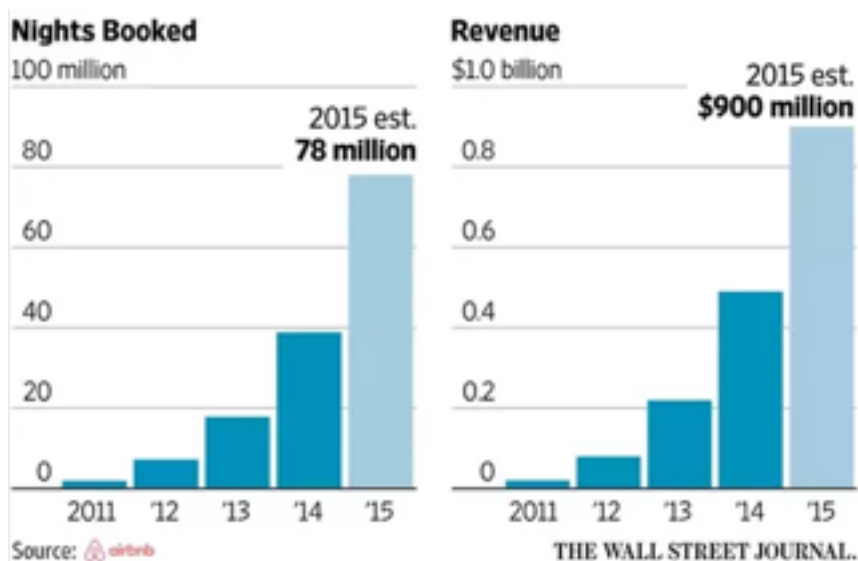
Situation Analysis

HomeAway selling, general and administrative expenses have been consistently increasing over the years along with its revenue. In 2010, HomeAway's SG&A expenses were at \$99.82 million. In 2011, they were at \$128.8 million, in 2012, they were at \$149.68 million, in 2013, their SG&A expenses were at \$188.14 million. Finally, their expenses were at \$248.13 million which is well under their revenue throughout those years. HomeAway's average operating margin from 2010 to 2014 was 9.48 percent. In 2014, the company spent about \$60 million and planned to increase their expenditure in the future to up to \$100 million or more.

Airbnb, inc.

Founded in 2008, Airbnb, Inc. (Airbnb) altered the hospitality industry with their an online platform for hospitality services, a recent concept that is changing the way consumers look at travel. The company offers an app that enables users to list, discover, and book unique accommodations across the globe. The app allows people to list their properties for lease and enables guests to be able rent or lease on a short-term basis, which includes vacation rentals, apartment rentals, homestays, or hotel rooms. Airbnb app is compatible with iOS and Android operating systems but is also available online.

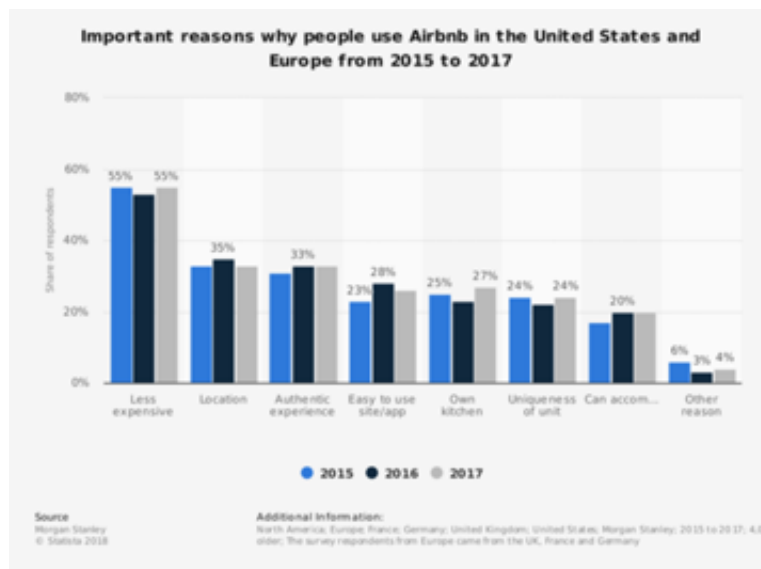
Airbnb rounded off 2017's fiscal year with \$345.19 million USD in profits. However, in terms of market share, Airbnb isn't on the map. Hostelng International is a bigger player in the Hostel and Bread and Breakfast sector, with just less than 1% market share.



Situation Analysis

Though Airbnb continues to grow in use and in popularity, the legality of such an arrangement has been challenged numerous times. This does affect the growth of their app usage, as certain countries' markets are not able to be tapped into.

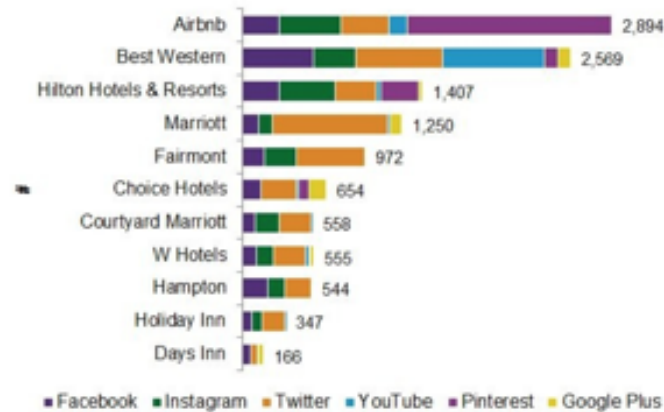
Research studies have shown that guests really appreciate what key benefits Airbnb brings to the table as opposed to hotel chains like Marriott and Hilton. By order of importance to consumers, these include the low price-point, convenient and adaptable locations, authentic cultural experience, ease of access on their app and website, amenity of a kitchen in accommodation units, uniqueness of accommodation, and flexibility of the amount of people able to share accommodation.



Airbnb has a number of strengths that play on their success. Their brand equity is driving investor confidence which allows them to increase their budget and expand, their broad range of types of accommodation are leading the consumer base to increase, and their wide network of platforms, their website and smartphone application, lead to enhanced operational performance by giving access to all parts of the world. One obvious hiccup in Airbnb's growth is home rental service bans, for example Vancouver's ban on Airbnb and similar services. Promotional tools being used in order to keep users loyal and increase the number of new customers are in the works for Airbnb. A new feature as of November 2017, the Pay Less Upfront feature allows guests to pay a down payment at the time of booking, instead of paying in full. This is Airbnb's way of capitalizing on their research and what is most important to consumers, price.

Situation Analysis

Tapping into their young market, Airbnb primarily uses social media to reach their audience effectively. Compared to other hospitality services, Airbnb dominates the share of voice on social.



Consumer engagement on social media platforms is also extremely higher than any other company.

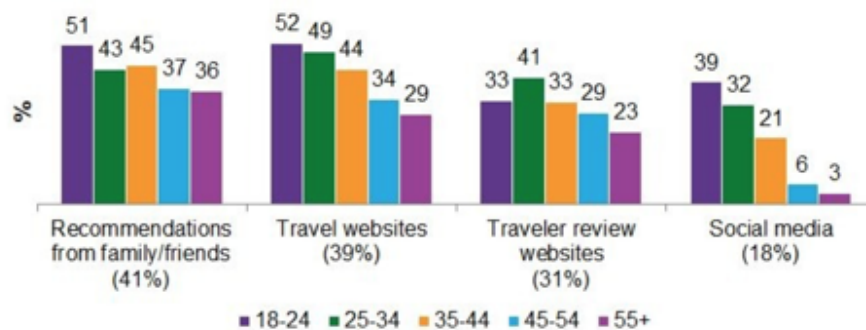
Consumer Analysis

Marriott International consumers include those booking rooms for leisure purposes and business. Guests have different lifestyle because of factors such as preferences, income, and age. Consumers are diverse because they can range from middle class seeking to book a cheaper room at somewhere like the Courtyard Marriott to high-class families looking book their stay at premium resorts such as the Ritz Carlton. Middle Class consumers appreciate reward programs and deals on rooms that feel like a bargain. High-class consumer care more about the amenities and services offered such as spas, golf courses, and five stars restaurants. Needs to be met for both classes include comfortable, clean and accommodating rooms and services for those traveling.

Since Marriott has a high seasonality rate that means consumers are booking hotels when they travel on summer vacation or around the holidays. Consumers are motivated to stay at Marriott International because of reward points and the consistency of the hotels. They know that when they stay at Marriott, they will be treated well because of the strong brand image. They are also very persuaded by top travel websites and reviews such as Expedia and Kayak. Word of mouth is also a factor; guests are more likely to book hotels that family members or friend recommend because they trust their opinion.

Situation Analysis

Families with children are especially interested in booking a hotel geographically where the area is safe. They also enjoy being close to theme parks, tourist spots and airports for convince. In April of 2017 Regional Tourism article "How do they plan their vacation" said 53% of vacationers, in general, say area attractions influence their decision to visit one destination over another; this is also the top destination influencer. Families include parents who are around the ages of 25-34 and their behavior when looking to find a hotel is that 49% of them search websites, 32% use social media such as Facebook to look at reviews and 43% rely on family and friends recommendations.



A current problem is Marriott's attempt to attract millennials. In New York Times article Chief Executive of Marriott, Arne M. Sorsen, expressed his concern that drawing this group can be tricky but is much needed to compete in the industry. The urgency behind this is that "Marriott expects more globally minded millennial consumers, also referred to as Generation Y or people born roughly between 1980 and 2000, to account for a third of business-room nights in the United States by 2020" says Sorsen. Millennials ages 18-34 are attracted to trendy, lively hotels that appear to not look like a boring Marriott. With this research, advertising campaigns are being planned to target the younger generation. Millennials are persuaded by social media and their peer's recommendations when looking for hotels to book.

The United States consists of 65.8% of Marriott's total revenue following which indicates that the US is where most consumers stay. The United States has a famous tourism industry and big cities where people come from all over the world to visit.

Primary Research

Qualitative Research

We conducted our qualitative research in order to gauge customer satisfaction on Marriott hotels. Our agency wanted to understand how people viewed Marriott and gain insight into their individual perspectives about the brand. For our research, we conducted four in depth interviews with participants who had all stayed at a Marriott hotel and a focus group with 7 individuals of people who had not stayed at a Marriott hotel and were asked on their perceptions of the brand before and after they had stayed at the hotel.

The focus group sample was asked about their thoughts and feelings on Marriott two times, right before they check in at a Marriott hotel so we can obtain data on their, and one more time right after they have checked out of a Marriott hotel. This will allow us to check how their thoughts and feelings have processed during their stay at the hotel. For the in-depth interviews we asked more detailed questions to some of Marriott's established clientele to obtain deeper thoughts and information about why they stay at Marriott hotels on a routine basis. The people that were recruited for these interviews were students from the University of Florida and were conducted in the Marston Science Library as this was a convenient and central spot for everyone. The interviews were conducted on April 15th and lasted roughly 15 minutes and the same interviewer conducted all four interviews.

For the focus group interviews we asked similar questions to those asked in the in depth interviews but they were slightly more general in nature in order to gain a more broad understanding of how people's perceptions might have changed after staying. For the first focus group interview, the 7 participants were asked about their general opinion on Marriott hotels and what they expected their stay to be like. After they had spent a night at the hotel, another focus group session was held to see if the participants had changed their initial views on Marriott, and determine whether the change in perception was negative, positive or there was no change. The moderator made sure that everyone had a chance to speak and took down notes of the participants' responses.

Primary Research

Focus Group

The focus group was an overall success for Marriott International. For the most part, four out of the seven participants in the focus group had a positive experience after staying at a Marriott Courtyard property and they mentioned that their views have changed about the Marriott company as a whole. Before, they said that they had negative experiences or heard negative comments about the multiple Marriott-owned properties and used that as a factor for avoiding Marriott properties when searching for hotels. Two other participants that have never stayed at a Marriott stated that their opinions and views were indifferent after their stay at Courtyard. They said that they have had a better experience at other locations, but they mentioned that Marriott has become another option for them when it comes to selecting hotels to stay at in the future. The last participant from the focus group stated that their negative opinion about Marriott has not changed after their stay. They commented that their experience was underwhelming and they had numerous issues among staff and the facility. The participants who enjoyed their stay stated that they specifically liked the late checkout option and the cleanliness of the hotel rooms. These two factors were mentioned the most times between the group as factors that would make them choose Marriott over other hotels in the future.

In-depth Interview

Participant name: Alex Schaffer

This participant always stays at Marriott locations and is a frequent traveler with his basketball team. He values location because it is a huge factor when booking the hotel because he wants it to be convenient to get to from the airport and/or sporting facilities. He also said that amenities are something he values because he likes when they have a fancy pool and hot tub or basketball courts. When asked if he ever goes to the gym at a hotel he said sometimes he visits it but usually they're too small without enough equipment unless you're staying at huge resort where the equipment is much nicer. He will spend the average amount on a room will pick a Marriott Courtyard and Renaissance and doesn't feel the need to overspend on a place he's only staying at for a few nights.

Primary Research

Participant name: Kyle Lucansky

This participant for the in-depth interview is someone that is more worried about having the basic necessities when it comes to staying at a hotel. He has mentioned that he has stayed at a Marriott property in the past and books a standard room with the standard amenities included in it. He emphasized that he isn't really interested the extra amenities at an extra cost because they aren't worth it to him as he is only on location for a short period of time. The participant enjoys staying at Marriott Courtyard and Fairfield properties as they offer what he needs for a hotel stay and that is all he needs. He believes that these properties are good for him because they offer a good price and performance level for what he is looking for. The participant mentioned that he has stayed at a luxury Marriott property in the past, but he doesn't care much for it as the experience didn't feel like it was worth the overall cost for the stay. He commented that the properties are very nice, but he isn't interested in 'breaking the bank' when it comes to selecting a hotel to stay at.

Participant name: Lizzie Ramos

This participant bases her consumer decisions on quality over price. She would rather pay more for a hotel room and have an elevated experience than be at a lower end hotel with just the basics. She values amenities such as high quality mattresses, extensive and gourmet room service menu and bellhop service. This participant has only stayed at the high end subsidiary of Marriott, JW Marriott, and reported that she is a fan of these hotels because they are always in a central city location which is convenient and they meet her standards of quality. She also likes when hotels have valet services to park her car. This participant also values spa amenities and enjoys when hotel rooms have a picturesque views of the city from their hotel room windows.

Participant name: Stephanie Barahona

This participant has stayed at an AC hotel and Renaissance hotel in the past. She usually stays standard rooms with two beds to share with either her family or friends. She emphasized the importance of price in choosing a hotel. She says as long as the room and bathroom are clean, she is satisfied. She says that she mainly used hotels to sleep in while she is out all day, so she does not pay much attention to amenities such as pool service or room service. Although, she did mention that she appreciated an included breakfast with her stay. Apart from price, her second greatest concern with hotels is location. She often vacations to cities and urban areas that require a lot of walking. She prefers to stay at locations that are centrally located to near a train stop.

Primary Research

What we found:

-Marriott should focus on expanding their complimentary breakfast options and making this a permanent feature at all of their locations as this is something that all of the participants in the focus group specified is important to them

-Marriott should also keep their prices competitive and reasonable as many of the participants said that they take price heavily into consideration when choosing which hotel to stay

-Marriott should also advertise their rewards program more as people who are a part of this program tended to stay at Marriott a lot more frequently than those who weren't

-Marriott should look into their customer experience training process and see if any improvements can be made in that division. The one participant from the focus group had a negative experience from their stay, so they should look into the process of how employees are trained.

-Marriott should work on improving minor details for the hotel experience for guests. Improving on cleanliness of the rooms and facility will go a long ways with their guests. It will help improve the guest experience if they are greeted with a nice, clean room when first arriving.

Quantitative Research

Along with providing Marriott International with qualitative research, we wanted to provide them with quantitative research as well to further support our guidance for the company. The combination of qualitative and quantitative research allows us to identify a clear goal for us and for Marriott International.

For the quantitative research, we used UF qualtrics to conduct a survey asking various questions about the participants' experience at a Marriott Hotel. The survey consisted of ten questions that asked the participants about various topics including Rewards Program, hotel perks, on-site experience, and travel reasons. The survey also consisted of questions asking the participants about their demographics to see the range of the audience for Marriott International. During the data collection process, we collected a total of 100 responses from participants and out of those 100 participants, 89 participants have stayed at one or more Marriott International properties and 11 have not stayed at a Marriott International property. The insights from the survey are provided on the following page.

Primary Research

What we found:

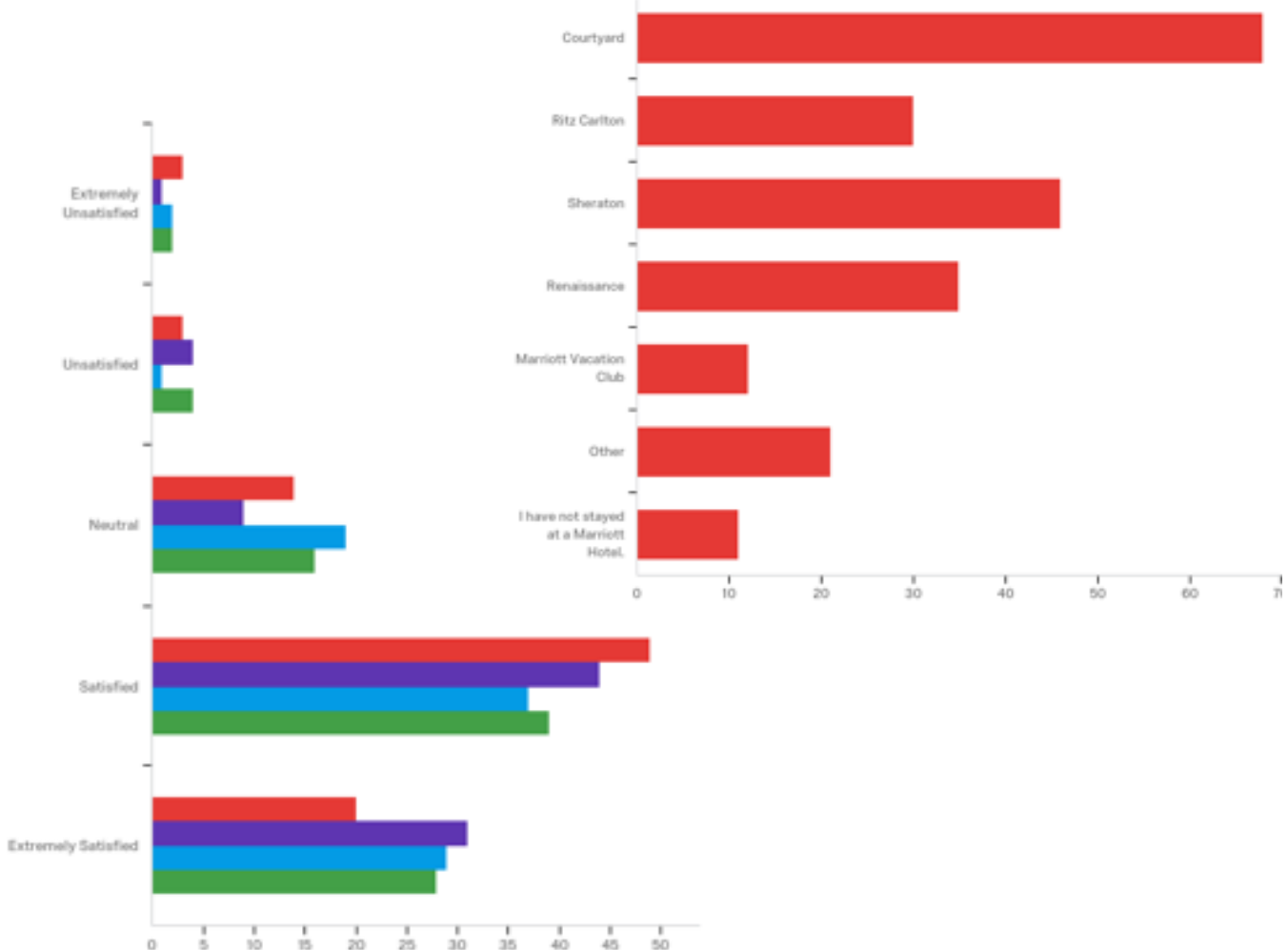
-The average satisfaction level for the Marriott experience among the participants was 7.75 on a scale of 1-10.

-When it came to the satisfaction level of the aspects of Marriott (Amenities, Room Cleanliness, Location, and Staff), the majority of participants were either satisfied or extremely satisfied with each aspect.

-32.95% of the participants of the survey are members of the Marriott Rewards Program. Only 3.41% of participants have never heard of the program.

-The most important perk to the participants was complimentary breakfast (57.65%) with late checkout (30.59%) and pool and gym access (27.06%) being the second and third most important.

-Vacation (69.66%) was the most popular travel reason among participants.



Primary Research

After conducting our research for Marriott, there were numerous things that stuck out to us among the consumers that have experienced a Marriott hotel in the past. The biggest subject that stuck out to us from our qualitative research is the consumers emphasis on complimentary breakfast. They pointed out to us that this was a very important aspect of their hotel experience. Marriott should work on expanding their complimentary breakfast aspect to all their hotel locations to help entice guests to choose their hotel over other when researching where to stay. Marriott should also investigate keeping their prices competitive for the consumers and work on promoting the Rewards Program as a lot of users from both the qualitative and quantitative research weren't apart of the program. They should also work on promoting the program as there was a significant amount of people that weren't aware the program existed.

According to our quantitative research, the average satisfaction level for guests that have stayed at a Marriott property was 7.75 on a 1-10 rating scale. However, Marriott should work on improving this satisfaction level among the guests to help increase word-of-mouth advertising among guests when their friends and family are researching where to stay. Marriott should increase promotional materials during high-travel seasons like as the number one reason for travel was vacation among the participants in the survey. Marriott should also work on improving the amenities of each hotel location because that was one of the aspects of the experience that didn't get rated highly among the participants of the survey. Other aspects that Marriott could improve on is smaller details like customer service, room cleanliness, late checkout, and other small details that improve the overall guest experience.



SWOT Analysis

Marriott International Inc is an industry leader in the travel and tourism category and has gained recognition as one of the top hotel chains in the world. However, they do face some threats as trends in the accommodation category are changing.

Strengths

- Strong operational network allows Marriott to serve a large amount of clients and enhance its financial performance*
- Extensive brand portfolio with options that cater to the needs of many groups of people based on cost, amenities, location, etc.*
- Established and recognizable brand*

Weaknesses

- expensive compared to new alternatives such as Air Bnb*
- faced issues in the media regarding the cleanliness of their rooms*
- brand image is catered to older generations and is not particularly appealing to millennials*

Opportunities

- building more hotels in new locations to expand their business*
- travel and tourism industry is steadily growing which Marriott can capitalize on*
- partnerships with other companies that will encourage people to stay at Marriott over their competitors*

Threats

- highly competitive market with a rising trend in non traditional accommodation options*
- few differential features compared to their competitors*
- vulnerable to political, environmental and societal unforeseen circumstances that could reduce travel traffic to certain locations*
- increases in the minimum wage and labor costs could lead to a smaller profit margin*

Strategic Recommendation

Promotions

Value and price is something all informants agreed was important. In other words, getting their money's worth. We recommend that Marriott sets up promotions semi-annually. This would include coupon codes found on the Marriott website that can apply to all Marriott properties. These coupons could be for discounts on hotel rooms or promotions on special services such as a free room service meal or a free massage at the spa. This is something that customers find important when choosing a hotel and will help Marriott differentiate themselves from their competitors, which will in turn help increase sales.

Complimentary Breakfast

While conducting our qualitative and quantitative research, we found that the participants really valued the complimentary breakfast amenity that is offered at many of Marriott's hotels. Since this was ranked so highly as something that is important to Marriott's clientele, we suggest that Marriott continue to offer this service and also expand their menu options. By doing so they will be able to keep the breakfast choices interesting and also cater to individuals dietary restrictions which they can do by making sure they offer options that are vegetarian, gluten free, etc. Complimentary breakfast is not yet offered at all Marriott hotels, and as this is a feature that many of the participants said would make them choose Marriott over its competitors, the company should definitely focus on expanding this option to all of its locations.

Satisfaction Level

Overall, most of the people we interviewed said that they felt satisfied with their experience of staying at a Marriott hotel. However, there is still room for improvement as there were few people who were extremely satisfied, and some people who were slightly underwhelmed by their experience. The amenities were ranked the lowest out of all of the aspects we covered in our research and this shows that there should definitely be an improvement in the services offered by Marriott. Some of these changes could include an upgraded gym with higher quality equipment and spa services. In addition to this, Marriott should pay attention to the small but significant details such as making sure each room is pristinely clean and hiring high quality staff to uphold Marriott's reputation. The satisfaction level of Marriott's clients is the most important factor in determining their success and Marriott should focus on making the client's experience as enjoyable as possible. This will ultimately be what sets them apart from their competitors in a highly competitive market and will allow them to remain as the top market share holder in their category.

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Appendices

Domestic Tourism: tourism involving residents of one country traveling only within that country.

Franchise: an authorization granted by a government or company to an individual or group enabling them to carry out specified commercial activities

In-House: advertising or work done by employees of an organization rather than an outside source.

Net Income (NI): A company's total earnings or profit. To find this you take the revenue and subtracts the costs to find your total net income

<http://www.dictionary.com/>