

International firms enter foreign markets

[Business](#), [Marketing](#)



International firms enter foreign markets for a number of reasons, all of which are linked to the desire to either increase profits and sales or protect them from being eroded by competition. Hotel owners and managers are always under pressure to increase the profits of their hotels, and when they face a mature, saturated market at home, they begin to search for new markets outside their home country. They find that a rising GNP per capita and population growth appear to be creating markets that are reaching the critical mass necessary to become viable candidates for their hotels. Also the economies of some nations where they are not doing business are growing at a considerably faster rate than in the economy of their own market.

There are many reasons why the Jury's Doyle group decided to expand internationally. The biggest reason for them was the increase in international tourism worldwide.

From the first table, we can know the amount number of tourist have a stable increase in the world and Europe still have the biggest tourism market and America's tourism market share % have a decrease in last ten years.

From second graph we can know the number of hotels in each regions have a fast increase, especially in Asia the change percentage is 45.4%. From these data Hilton need international expanding to hold its place in lodging industry. Expand internationalize also have advantages for Hilton. Firstly Through the expand Helton hotels has a huge development and became the largest hotel in the world. Secondly expanding can increase the market share percentage which can make profit increase.

The development of the fourth Jurys Inn in the London area demonstrates

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the company's development strategy of expanding its three-star budget plus Jurys Inn alongside its four-star Jurys Hotel brand to extend the company's market presence in London.

In the largest deal in the history of the Irish hotel industry, the acquisition of the Doyle Hotel Group by rival Jurys Hotel Group Plc has created a giant among Irish hotel operators and set the stage for further expansion abroad. Jurys paid IP187. 6 million (US\$254 million) in cash and stock for Doyle, and in the process, Jurys has gained several landmark Dublin hotels and a presence in the U. S. market. The new company, which will be known as Jurys Doyle Hotel Group plc, will have 29 hotels, more than 5, 200 rooms and a market capitalization of around IP500 million (US\$677 million).

Merge Strategies " It's an excellent strategic move for Jurys," says Enrique Curran, an analyst at NCB stockbrokers in Dublin. " They now have approximately 9% of the Irish hotel room stock and about 22% in Dublin. You're now looking at an enlarged company that has real scale." He says the combined Jurys Doyle group enjoys occupancy rates of about 80% and the ability to achieve consistent room-rate increases.

Over at Jurys, Managing Director Peter Malone is confident the increased size of the group, which will post annual revenues of about IP140 million (US\$190 million), will make it more attractive to investors and help the share price. " Now with the euro and the European stocks," Malone says, " people are going to look at us and say, 'There's a good play on the Irish economy, a good play on good city centers, and a good play on America.'"

Jurys has a mix of 3-, 4- and 5-star hotels. With almost 1, 500 rooms in Dublin alone, Doyle has such well-known luxury properties as the Berkeley Court, the Westbury and the Burlington. Malone says the new group will maintain its existing spread of properties, from 3- to 5-star, and he pledges to keep the Westbury as the company's leading 5-star-plus hotel. But he does not expect the Jurys Doyle Group to expand further in Ireland as real prospects lie abroad.

Growing Presence Doyle also brings to the group the 4-star, 186-room Clifton Ford Hotel in London and three hotels and 500 rooms in Washington, D. C.: the Doyle Washington, the Washington Courtyard and the Doyle Normandy Inn. Apart from marketing, Jurys previously has not been active in the United States. Now, Jurys full-time acquisitions director is looking with interest at such U. S. cities as Boston, Chicago, New York and Philadelphia.

Malone also hopes to double the group's size in Britain during the next five years, from its present nine hotels, by expansion into Birmingham, Leeds and Newcastle. And he sees opportunities in the Netherlands, Germany and Eastern Europe. He predicts strong prospects for tourism growth in Poland and Hungary, and the group would like " to put its toe in the water in Eastern Europe." However, nothing will happen immediately, Malone stresses.

The next year will be spent on integration. Malone sees no problems integrating publically held Jurys with privately owned Doyle. However, he would not comment on the suggestion that the enlarged company is an attractive takeover target. Such matters, he says, are decided by shareholders. And he says decisions about expansion will be based on simple

principles. " We're not interested in putting flags on maps," he says. " We're interested in profit."