

Portfolio analysis: hilton international inc

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Portfolio Analysis: Hilton International Plc of the Portfolio Analysis: Hilton International Plc Task one Background Established in the year 1919 in Texas, the Hilton Worldwide of today was actually a 40 room hotel initiated by Conrad N. Hilton (Hilton Worldwide, 2011, p. 1). Under the impeccable endeavours of its founder, this simple name became the respected giant in the world tourism and hospitality industry (Hilton Worldwide, 2011, p. 1). The company prides of thousands of employees and members who share the spirit of hospitality, thereby spreading the specific Hilton culture across the globe. This is historically evident way from the year 1925, when the hotel formally Hilton branded hotel was opened in Dallas (Hilton Worldwide, 2011, p. 1). Two years later, the franchise opened its doors to the American market when it launched Waco Hilton in the United States of America. Almost twenty years later, the company expanded its portfolio to include chains that appreciate the coast-to-coast experience and this did a big boost in underlying the value and hospitality experience that Hilton seeks to provide to its customers (Hilton Worldwide, 2011, p. 1). Additionally and in a bid to sustain that special Hilton experience, the company has designed policies and framework along its design that supports the crucial value it provides to the various communities across the globe. It is such values and priorities that have enabled Hilton International to gain the international accolade that it now possesses. The international presence has also been significantly facilitated by the merger agreement between HHC and Hilton International in the year 2005 that saw the companies combine to form the current financially stable business unit (Hilton Worldwide, 2011, p. 1). Vertical and horizontal integration Mainly referred to as a means through which companies outsource and/or increase their production units to involve <https://assignbuster.com/portfolio-analysis-hilton-international-inc/>

peripheral products relating to the main line of production, vertical integration has highly helped Hilton International Plc. to sustain growth and development in its global presence. The company mainly experienced such integration during its early years when it considerably increased and/or provided supporting units such as the coast to coast experience that worked to add value to its services (Data Monitor, 2010, p. 1). Further, the various acquisitions and mergers that Hilton International Plc. involved in shared its resources in ensuring that horizontal integration worked for the betterment of the company as a whole. Hilton International plc has been a dominating name in the tourism and hospitality industry for years (Hilton Worldwide, 2011, p. 1). Belonging to the Hilton Group plc, this division was taken over by Hilton Hotels Corporation on 23rd February, 2006 (Caterer and Hotelkeeper, 2007, p. 1). On this very date the group was renamed as Ladbroke plc (Hilton Worldwide, 2011, p. 1). The next interesting thing occurred on 23rd September, 2009 when Hilton Hotels Corporation changed its name to Hilton Worldwide (Caterer and Hotelkeeper, 2007, p. 2). Today, the steering wheel of this 93 year old company is managed by Christopher J. Nasetta (President and CEO) and Mark Wang (President) along with dynamic executives with indomitable spirits (Hilton Worldwide, 2011, p. 1). Brand and products Hilton International popular brand within the UK includes the following; Hilton Grand Vacations, Homewood Suites by Hilton, Waldorf Astoria Collection, Hilton Garden Inn, Conrad Hotels & Resorts, Home2 Suites by Hilton, Hilton Hampton by Hilton, Doubletree by Hilton and Embassy Suites by Hilton (Hilton Worldwide, 2011, p. 1) Task two The SWOT analysis of Hilton International Plc is as shown in the table below (Data Monitor, 2010, p. 1);

Strengths Robust Brand Portfolio Product Diversification International

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visibility Financial stability Opportunities The prevailing organic growth stimulants Positive prospects in the tourism and hospitality industry Limited exposures other regions like China Weaknesses Lack of geographical spread Private ownership Inefficient operating management system Incapable IT system Threats Business risks Increasing competition Introduction of High Technological services (Anton, 2011, p. 2). In considering the principles of vertical and horizontal integration, Hilton International Plc, has undergone several transformations in terms of mergers and acquisitions to enable it to earn the international accolade it now prides of (Anton, 2011, p. 1). In the year 2006 for instance, the Hilton Hotels Corporation took over the Hilton Group Plc and renamed it Ladbrokes Plc. The Hilton Hotel Corporation later changed the name to Hilton International Plc in the year 2009 (Caterer and Hotelkeeper, 2007, p. 2) Task three Economically, Hilton International Plc is prone to factors which mainly include income generation from the tourists, direct and indirect job creations in the tourism industry, infrastructural developments including machinery, roads and institutional capacity of the company to sustain the increasing competition from the other players in the sector. Further, Hilton International Plc must be keen to underpin the effects of leakages between import and exports and the overruling frequent economic distortions (Caterer and Hotelkeeper, 2007, p. 1). Income generation, infrastructural capacity, thus job creation and economic instability are the three main economic factors that will affect the operations of Hilton International Plc. In regards to capital investment otherwise referred to as income generation, the company is keen to ensure that it accrues sufficient benefits to enable growth and operational sustainability. In reference to job creation, Hilton has undertaken a vigorous process in <https://assignbuster.com/portfolio-analysis-hilton-international-inc/>

ensuring that it has technologically efficient employees who are technically and socially capable to meeting the client demands (Anton, 2011, p. 2). Further, the frequent economic turbulence has not left out any company and all companies, Hilton International Plc included have instituted strong internal control measure to ensure stable and sustainable generation of the necessary financial capacity to subsume the effects of the economic downturns (Data Monitor, 2010, p. 1).

Task four The laws that may be relevant to a manager in the tourism and hospitality industry include the laws governing the development of tourism, laws on transport, laws on travel package, laws governing package holidays and regulations on tours and accommodations. Further, the licensing laws, and national bans on smoking within the vicinity of the public, are significant laws that a manager in the tourism industry must consider. In addition, the manager will consider laws governing customer/client safety, consumer laws and regional as well as international trade laws (Pearson School and Colleges, 2010, p. 12). The European Union is constituted by 27 member states and below is the list and the year they joined. Belgium, France, Netherlands, Italy, West Germany and Luxerbourg all joined in 1958. The UK, Ireland and Denmark all joined in 1973. Greece joined in 1981 while Portugal and Spain joined in 1986. Sweden, Australia and Finland all joined EU in 1995, while Cyprus, Czech Republic, Hungary, Poland, Slovenia, Slovakia, Malta, Lithuania, Estonia and Lavtia all joined in the year 2004. The remaining Romania and Bulgaria both joined in the year 2007 (Direct Government, UK, 2011, p. 1). The main advantage of the adapting of the Euro currency by the UK is the fact that this will enable the member states to access the local tourist facilities and services at their considered normal rates. This will boost the mental image of the tourists to

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visit the UK and thus increase the level of tourism proceeds. The disadvantage is that it limits the capacity of the UK in terms of economic decisions. Further, it exposes the UK to the financial spiraling effects of the Euro currency as was the case recently. Similarly, the enlargement of the EU is likely to benefit the tourism industry in the sense that this action will work to enlarge the access levels of the currently non members to the existing facilities and services offered by the EU members (Direct Government, UK, 2011, p. 2).

Task five The United Kingdom has experienced significant social and cultural trends over the last decade. Socially, the introduction of relevant community facilities and tourism focused services has really changed the tourism and travel industry. Further, the increased education of the local residents to motivate the industry has also been socially influential. Moreover, the prevailing conflicts between the visiting individuals and the host community are imperatively significant in fostering the growth decline in the industry. Additionally, the increased efforts of the community to reinforce cultural identity are a sure factor to consider while assessing cultural change over the last decade. The communities have also endeavored to sustain traditional customs and craft to act as tourist attractions and motivations. Inevitably, the attitude towards older people has generally changed in the last decade following the increasing acceptance of the concurrent demographic changes (House of Lords, 2003, p. 14). The changing cultural and social patterns have always been the main factors driving the development of innovative features and products within Hilton International Plc. The utilization of social websites and platforms for instance has really played a significant role in increasing the access points of the company products to the customers (Pearson School and Colleges, 2010 p. <https://assignbuster.com/portfolio-analysis-hilton-international-inc/>

2). Further, the increased use of internet by different social groups has enabled Hilton International Plc to consolidate the operation efforts towards sustaining the quality and value for their clients. Ageing population is considered as the increasing shift of the distribution of ages among the specified population towards older age groups. An ageing population will have prominent influence on the tourism industry. One of the effects will be the fact that the older population will not be conversant with the increasing technological developments and this may hamper the growth of the industry. However, the fact that it is the older population that desire to fulfill the demands of the tourism quest and further coupled with their financial capability, the ageing population will highly support the growth of the traditional tourism facilities and services (House of Lords, 2003, p. 6). Task six There are significant technological developments following the globalized contemporary business platform and the main technological factors that will impact the operational capability of Hilton International Plc include the machinery, the workforce and the accruing benefits. Machine capacity will influence the way Hilton will interact with the customer, the workers will facilitate the interaction and the accruing benefits will enable the company to expand and improve its operations (Hilton Worldwide, 2011, p. 1). In the last five years many companies prioritized capital spending but today these factors undergo thorough analysis to enable the company to serve the ever changing needs of the clients as supported by the increasingly changing technological advancements (Business Studies Online, 2009 p. 1). The technological changes as envisaged in the factors discussed above have been significant and Hilton International Plc has developed and implemented sufficiently equipped internet platform that allows customers to access their <https://assignbuster.com/portfolio-analysis-hilton-international-inc/>

products within limited times and with increasing levels of ease. Further, the company must endeavor to conform to the technological changing trends in order to remain in business. The database enables customers to access rooms as well as other facilities within the confine of their internet access points and this has been highly significant in reducing the operational costs within the company (Pearson School and Colleges, 2010 p. 3). The increased use of internet by the consumers of Hilton International Plc products will play a major role in supporting the technological development strategies of the company in a bid to conform to the competitive demands. Internet use will facilitate instant bookings and multi-user access to the facilities that Hilton offers and this will significantly improve operational efficiency within and without the organizational premise (Pearson School and Colleges, 2010 p. 4).

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