

# [Business background of hilton hotels](https://assignbuster.com/business-background-of-hilton-hotels/)

Hilton Hotels Corporation is the prominent global hospitality corporation, with over 3, 890 hotels and with more than 642, 000 rooms in 91 countries and in excess of 135, 000 crew members worldwide (Stipanuk, 94). The corporation holds franchises or manages some of the finest known and greatly regarded hotel brands. Hilton Hotels Corporation is owned by a private equity firm, the Blackstone Group. Hilton is rated as the 38th biggest private corporation in the United States by Forbes (Stipanuk, 95). Hilton Hotels Corporation has 93-year history as forerunners in the industry making them the number one venue for developers, travelers, partners, and group members equally.

The Hilton Hotels Corporation remains one of the enterprise’s flagship brands and one of the hotel trademarks in the world. The corporation places promotion emphasis on both corporate travel and vacation travel with sites in key city centers, convention centers, near airports, and a number of holiday resorts and leisure-leaning hotels in prevalent vacation destinations globally.

## Business Background of Hilton Hotels Corporation

Hilton Hotels Corporation was founded in 1919 by Conrad Hilton when he acquired his first hotel, the Mobley Hotel, in 1919 in Cisco, Texas (Stipanuk, 98). In 1954, Hilton hotels purchased the Statler Hotel chain, making it the biggest hospitality corporation in the world.

The Conrad Hilton Hotel in Chicago reckoned conspicuously in the 1968 Democratic Convention demonstrations that befallen across the highway in Grant Park. The hotel closed down for the first period in its history. The Conrad Hilton Hotel still suffered slight damage owing to the violence outside as the road level windows succumbed under the weight of hundreds of demonstrators on the road (Stipanuk, 99).

In 2009, the corporation moved its global head office to Tysons Corner, Virginia from Beverly Hills, California and in the same year, Hilton inaugurated Canada’s largest hotel at 58 stories located in Niagara Falls, Ontario.

In late 2010, Hilton International declared a name change to Hilton Hotels & Resorts from previous the Hilton Hotels brand, together with a novel logo design as a measure of a rebranding effort for the leading brand.

## Business Description

Hilton Hotels Corporation does business in the United States, Asia, Europe, and presently has hotels in over 91 countries. Hilton is common in main cities, like New York, Rome, London, Sydney, Tokyo, Paris, Shanghai, Beijing, Stockholm, Toronto, and Sao Paulo (Lee-Ross, 115). Hilton Hotels Corporation has more than ten brands, over 3, 800 hotels, and 140, 000 group members across 91 republics making it the world’s foremost hospitality firm. Hilton Hotels Corporation is in constant development with in excess of 610, 000 hotel rooms globally helping it to be number one hospitality corporations in the world. In brand Portfolio, clearly, from iconic extravagance properties to inventive motivated-service hotels, Hilton Hotels Corporation brand portfolio is the utmost performing and greatest diverse in the business (Lee-Ross, 119).

Hilton Hotels Corporation is involved, together with its branches, in the tenure, management and expansion of hotels, timeshare properties and resorts, and the contracting of lodging properties. Starting December 31, 2006, the Corporation’s system contained 2, 935 assets with roughly 501, 000 rooms in 78 nations. Of such assets, it owned and run 60 hotels, rented and run 203 hotels, operated 53 hotels; managed 343 hotels owned by others; possessed an interest in and franchised 2, 242 hotels owned and run by third parties. Also encompassed in the number of possessions in its system are 34 timeshare assets, which the Corporation managed. In April 2007, the Firm completed the auction of the 132-hotel Scandic chain to EQT. In October 2007, the union of Hilton Hotels Company with a conglomerate of The Blackstone Cluster L. P.’s real estate and company private equity reserves was concluded (Olsen, 98).

## Corporate Strategy

Formerly, Hilton concentrated on securing and owning additional real estate. But, it has lately changed its development strategy, and it now concentrates on distributing its maneuvers through franchisees. This is aimed at enabling the company to earn incomes in the form of franchisee charge minus incurring any extra costs to procure real estate and build hotels. Swelling the number of franchisees also will provides the corporation with a stable and foreseeable stream of income, and guards it from any temporary recession in the industry (Olsen, 112).

In another corporate strategy, Hilton aims classy business travelers in order to counter the impact of escalation in airfares which can shrink a client’s capability to spend on a resort, hotel room or other facilities, which has an undesirable bearing on the hotel industry. Therefore, by aiming at classy business visitors, impact of swelling airfares will not be very major for Hilton.

## Micro and macro analysis

Hilton’s Hotel’s objectives are central to its general business plan and they include: taking care of central individuals and organization for the growth of the business; having a stable score card and steering the firm forward.

Hilton Hotels Corporation mission is to be the leader in the hospitality sector by providing the group affiliates consistent and quality teaching which is important in achieving this mission. Their mission embraces the following package: Involve all the employees; Improve the guest experience; Develop Operational efficiency; Improving structure design; Reinforce partnership; Safeguard global environment; Serve the communities; and Augment the family of brands (Olsen, 119).

Hilton Hotel is the extravagance hotel choice for discerning visitors which has created a world that celebrates uniqueness in every sense. They provide Luxury as exceptional as every single guest. As the most up-to-date luxury hotel, they have formed a proud & esteemed heritage with a very fashionable attitude. At its core, Hilton is wholly about offering distinctive experiences for discerning clients. Originality sets them separately from its opponents. From visitors to crew members to the inn and resorts, Hilton is all determined in offering places where individuals can really be themselves since according to them that is the genuine luxury in the present day (Armstrong, 225).

## SWOT Analysis

This SWOT Analysis explains some of the drawbacks and prospects that look forward to the Hilton Hotels Corporation.

Strengths

Hilton Hotel Corporation (HHC) is well expanded across the sector with hotels in the high end, corporate and mid-valued classes in their product combination

HHC is a well-recognized business and industry frontrunner in the hospitality, hotel and gaming industry

HHC also owns solid incorporation features, for example, owning the firms that manufacture its fittings and has invested in online booking travel enterprises in addition to providing smaller corporations to be franchised by HHC, ensuing better trades of their product.

Weaknesses

Hilton Hotel Corporation may be two scarcely focused making it susceptible to a recession in the international economy and other world-wide disasters that could hinder global travel, for example, the bird-flu and a substantial terrorist strike.

Opportunities

Hilton Hotel Corporation should offer a collection of unique and dedicated services to the high end visitors and high rollers.

HHC should expand into or obtain a cruise line since a tour ship is more than a hotel which floats. This is fundamental match of what it presently does with its hired properties.

Threats

Hotel Hilton need to be cautious not overstretch its efforts to mix show business and gaming, likewise, the addition of credit and additional side effects of betting can slowly but certainly cut profits.

## Key Competitors

The key competitor of Hilton Hotel Corporation is Hyatt Hotels Corporation which is a global firm and operator of hotels just like Hilton.

## Major Products and Services

Hilton’s major Products and Services include Luxury Conrad Hotels & Resorts and Waldorf Astoria Hotels & Resorts

Full Service includes Double Tree by Hilton, Hotels & Resorts and Embassy Suites, while Focused Service includes Hampton Inn, Hilton Garden Inn, and Hampton Inn & Suites

## Business Segment and Products

Hilton’s main business fragments include hotels and timeshare maneuvers which is an organization under which a buyer obtains the right to use housing or comforts or both for a definite period. Hilton advances and runs timeshare resorts through Hilton Grand Vacations Corporation, which offers on-site organization facilities to Hilton Grand Vacations Club resorts (Armstrong, 217). The inn division of Hilton add largest share of incomes. Lately, they developed a fresh brand called Home2 after unbelievable amount of time and exploration. The Home2 reverberated best with the clienteles. It is a prolonged stay invention where the sense of 2 is a theoretically a second home.

## HYATT HOTELS CORPORATION

Hyatt Hotels Corporation is a global firm and operator of hotels. The Hyatt Corporation started its operation upon acquisition of the Hyatt House, at Los Angeles on September 27, 1957 (Stipanuk, 170).

## Company History

The original owners were businesspersons, Jack D., Crouch and Hyatt von Dehn but later Von sold his stake in the hotel to Jay Pritzker.

In 1969, Hyatt launched its first foreign hotel, the Hyatt Regency Hong Kong, which shut down at the end of 2005 and was destroyed; a different facility substituting the old started operating in 2009. In 1980, Park Hyatt and the Grand Hyatt brands were inaugurated (Stipanuk, 179). Hyatt has come to be known for its resorts when they introduced Hyatt Regency Maui in 1980. Currently, Hyatt has in excess of 490 hotels globally.

In June 2004, considerably all of the hospitality properties owned by Pritzker family corporate interests, as well as Hyatt Corporation and Hyatt International Company were combined under a single body known as Global Hyatt Corporation. This formed a hospitality corporation with a solitary balance sheet, a single business and a single attention (Stipanuk, 183). In 2009, Global Hyatt Corporation altered its label to Hyatt Hotels Corporation.

## Business Description

The headquartered Hyatt Hotels Corporation is in Chicago. Hyatt is the foremost global hospitality businesses with a fulfilled legacy of making visitors feel more than welcome. Thousands of affiliates of the Hyatt family endeavor to make a difference in the lives of the visitors they meet every day by offering reliable hospitality. The Company’s branches franchise, manage, own and improve hotels and resorts in the Hyatt. Hyatt House TM is its brand name and has stations on six continents (Lee-Ross, 145).

## Corporate Strategy

As a corporate strategy, Hyatt Hotels Corp carry out a detailed analysis of the firm’s business, exploring its progress in the Tourism and Travel market and the global economy. This strategy help Hyatt to look at its monetary position and thus helping the corporation in understanding the brand strategy and development prospects of Hyatt Hotels Corp.

Another corporate strategy by Hyatt is improving guest services internationally with iPad. For more than 50 years, Hyatt Hotels & Resorts have intended to make visitors feel more than welcome by offering facilities and services that satisfy their needs as fast and openly as possible. With iPad, Hyatt Hotels Corporation now has the perfect platform to provide the kind of unified guest services the corporation egotisms itself on, not to mention an influential, portable professional tool for executives in Hyatt’s corporate center of operations.

## Micro & Macro Analysis

Taking into consideration 30 transaction day’s prospect, Hyatt has beta of 0. 93. This shows Hyatt that Hotels Corporation market revenues are very delicate to proceeds on the market. As the market level goes up or down, Hyatt is anticipated to follow. Furthermore, Hyatt has negative alpha suggesting that risk engaged is not reasonable (Porter, 205). From this investigation, currently, the company is expressively underperforming. Hyatt Hotels Corporation has instability of 1. 29 and is 2. 11 times further impulsive than S&P 500 (Olsen, 157).

## SWOT analysis

Strengths

Sturdy portfolio of services

Solid brand image

Weaknesses

Extraordinary-level exposure to the top market

Opportunities

Tactical procurement and alliances

Spreading out in foreign countries

Threats

Extreme competition

Financial slowdown in the United States

## Products and services

Products and services offered by Hyatt Hotels Corporation include far-reaching meeting and seminar centers, fully equipped fitness centers, state of the art business centers, creative restaurants and bars and Hyatt’s signature Regency Club.

Hyatt Resorts provide an escape to reliable and inventive spa treatments, superfluity accommodations, family activities, sporting activities and local cultural exploits.

## Target group

Hyatt Hotels Corporation targets the specific traveler seeking special attention.

## Competitive Brandscape

Hyatt, by its collection-oriented business proficiency and worldwide status for convention hotels, is the best operator of symposium hotels in key and subordinate cities globally. Profiting from Hyatt’s influential National Transactions Force these huge, full-service conference hotels exploit on advance reservation cycles and related substantial supplying income, making them the utmost profitable hotels overall in the business.

## Key Competitors

The key competitor of Hyatt Hotels Corporation is Hilton Hotel Corporation which is a worldwide firm and operator of hotels just like Hyatt Hotels Corporation. The both corporate have a very close ways of doing business.

## Operation Difference of Hilton Hotels Corporation and Hyatt Hotels Corporation

From the above analysis of Hilton Hotels Corporation and Hyatt Hotels Corporation, it can clearly be seen that both Corporation are similar in many aspects. However, there exist so operational differences between the. These differences include the following:

Firstly, Unlike Hilton Hotels Corporation, Hyatt Hotels Corporation is run majorly by the families of a group of people who initiated the firm, Jack D., Crouch and Jay Pritzker. Hilton, on the other hand is run by a board of director headed by Chief Executive of the corporation.

Hilton Hotels Corporation (HHC) owns solid incorporation features, for example, owning the firms that manufacture its fittings and has invested in online booking travel enterprises in addition to providing smaller corporations to be franchised by HHC. Hyatt Hotels Corporation on the other hand purchases their inputs (goods and equipment) from other production companies without necessarily owning those companies. Also, Hyatt Hotels Corporation unlike HHC does not franchise other smaller corporations.

Hotel Hilton has endeavored to mix show business and gaming. This corporation does this in order to raise more profit. Hyatt Hotels Corporation on the other hand concentrates more on hotel business without venturing more in other business fields, like gaming.

Hyatt is improving guest services internationally specifically with iPad technology. This is aimed at providing perfect platform to provide exceptional services to their guests. HHC on the other hand, has no specific technology that is currently using to improve its services to the customers but instead it uses any technology that suits its operations, for example, online booking.

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