

Strategic management

Business, Management



Case Study-Strategic Management The hospitality industry has particular features that make it worthy of a detailed analysis. It is an industry that uses an identical technology, offers homogeneous services (though there is brand differentiation), controlled by big multinational companies, and is highly globalized. Hyatt Corporation is an American company that has risen over past decades to become one of the leading and most successful hospitality companies. Hyatt has a large global network, with its presence in five regions and over 48 countries worldwide. Currently, the company employs over 75, 000 employees worldwide (Hyatt Hotels Corporation).

The history of Hyatt can be traced back to Los Angeles, in 1957, when Jay Pritzker bought the Hyatt House Motel, from Hyatt Roberts, and Jack Crouch. With the help of his baby brother Donald Pritzker, Jay managed the company to make it the fastest growing hotel in the US. Since 1957, Pritzker family has built and expanded the company and brands largely in USA, and around the globe. The thrust of the corporation's activities is in the United States with its headquarters in Chicago, Illinois (Hyatt Hotels Corporation). From the company's total revenue, 80% of the company revenues come from their US market.

Today, Hyatt is a multibillion corporation that offers luxury and upscale segments around the world. Their brands include; Park Hyatt, Andaz, Hyatt Hotels, Grand Hyatt, Hyatt Regency, Hyatt house, Hyatt place, Hyatt Ziva, Hyatt Zilara, and Hyatt Residence Club (Hyatt Hotels Corporation). The services are designed to bring out experiences attuned to the styles of living, values, attitudes, and aspirations of the consumers. Currently, the hotel has over 130, 000 rooms and units, in over 549 hotels around the world. Hyatt

corporation owns, franchises, develops, and manages Hyatt branded hotels, residential and vacation ownership properties, and resorts around the globe. Hyatt aspires to make a difference in the lives of people it touches by providing authentic service (Hyatt Hotels Corporation). The company also aims at becoming the preferred brand in each market segment they serve. Hyatt integrated strategy focuses on reinforcing preference for their brands by driving preferences among the company's associates. Hyatt integrated strategy is to be the preferred distinctive brand, which is basically steered by four factors. For the corporation, we want to be leading global hospitality company. For customers and guests, the company wants them to always choose Hyatt. For employees, Hyatt aims to be the employer of choice. For the shareholders and property owners, we want them to pick us to run the hotels. The company focuses on customer oriented strategy by offering authentic hospitality to guests and creating an impact in the lives of people it touches (Hyatt Hotels Corporation). The company intends to be a global market leader by adopting strategic acquisitions and alliances strategy. Hyatt is aware that diversity and inclusion aligned with corporate goals is vital for sustained success. The corporation has also heightened its focus on franchising, with the objective of developing new relationships and expanding existing relationships with their franchisees and property owners. The advantage of the growth strategy is that the company will reach untapped markets, increasing its market share and revenues, pose healthy competition to Hyatt and increase the global standing of the firm. The growth strategy is costly in the long run, as it involves more of investments. On the other hand, franchising enables firms to create a quick global

presence with lower risks and costs. However, with franchising, there is less control over managers and increased innovation challenges. Customer oriented approach enable the company to customize their services according to the demands and preferences of the customer. The company also focuses on providing distinctive services to its guests enabling the company to obtain a competitive edge (Hyatt Hotels Corporation). This strategy helps minimized costs and wastage, as only what the customer prefers is made. The diversity and inclusion strategy enable the company to be the preferred employer and attract a diverse pool of applicants. Most employees are usually opposed to diversity, and this poses as a challenge to the execution of the strategy. Strategic acquisitions and alliances enable a firm to create a global presence and preempt their rivals. Sometimes, acquisitions can be expensive.

References

Hyatt Hotels Corporation. 2010 Annual Report, Chicago: 2011, Web. 1 May 2014