

# History of hilton worldwide marketing essay



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Mr. Conrad Hilton, founder and owner of Hilton had a prophecy to operate the best hotel in Texas, but with his commitment and innovations, he had led Hilton to more than what he had aim, which is one of the most respected brands known in the hospitality industry today. He first bought the Mobley, a hotel in Texas and consecutively bought other Texas hotel. With the acquisition of the Roosevelt and Plaza in New York City, Hilton became the first coast-to-coast hotel group in the United States. 1946 marks an important year as it becomes the first hotel company to be listed in on the New York Stock exchange. In 1949, Hilton International was born with the opening of the Caribe Hilton in Puerto Rico. In 1955, Hilton created the first central reservation office, called HILCRON whereby reservations of any Hilton brand can be made via telephone, telegram or Teletype. Hilton also initiated the airport-hotel concept with the San Francisco Airport Hilton. In 1964, Hilton International forms a separate company from the domestic Hilton Hotel Corporation and was acquired by Trans World Airlines in 1967. The following years sees the opening of new brands under Hilton such as DoubleTree, Conrad Hotel, Embassy Suites, Hampton Inn, Homewood Suites Hotel, and Hilton Garden Inn. Hilton was the first NYSE-listed company to enter the domestic gaming business by purchasing International Leisure Company which includes the Flamingo Hotel and Las Vegas International . The loyalty programme HHonors was created in 1987 and introduced the earnings of points and air miles to differentiate it from the other loyalty schemes. Hilton launched its first website in 1995. The gaming operations was separated into a publicly held company called Park Place Entertainment. Hilton acquired Promus Hotel Corporation in 1999 which includes the brands Doubletree, Embassy Suites, Hampton Inn and Homewood Suites. In 2006, <https://assignbuster.com/history-of-hilton-worldwide-marketing-essay/>

Hilton Hotel Corporation reacquires Hilton International from its British owner then – Hilton Group plc. , expanding Hilton’s portfolio worldwide. Hilton Hotel Corporation then merged with an affiliate of the Blackstone Group’s real estate and corporate private equity funds in 2007 with an all-cash buyout, making Blackstone the world’s largest hotel owner. In 2009, Hilton Hotel Corporation changed its name and logo to Hilton Worldwide and moved headquarters to Virginia. Light Stay was introduced as the trademark system of measuring sustainability performance across Hilton Brands worldwide (Hilton Worldwide, 2012). From the history timeline of Hilton, it is seen that the corporation is truly a leader in innovation and a pioneer in the hospitality industry.

### **Hilton worldwide products and services**

In the second quarter of 2012, Hilton Worldwide led the hospitality industry with the largest global pipeline by rooms in total rate of room growth (STR) by having more than 161 000 rooms in the pipeline, largest sum since the founding of the company. Hilton Worldwide also showed acceleration in growth rate, expanding company’s portfolio by 29% since June 2007, achieving fastest growth in the hospitality industry exceeding its competitors STR. (Hilton Brand Facts, 2012) Till 31st July 2012, Hilton worldwide owns 3908 properties across 91 countries. [http://news.hiltonworldwide.com/assets/HWW/docs/brandFactSheets/BrandFacts\\_HW.pdf](http://news.hiltonworldwide.com/assets/HWW/docs/brandFactSheets/BrandFacts_HW.pdf)

Hilton brand portfolio by region

## **Type of service**

## **Brand**

## **Number of properties/pipeline properties**

## **Americas**

## **Europe**

## **Middle East & Africa**

## **Asia Pacific**

## **Luxury**

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## **Full service**

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## **Focused Service**

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## **Vacation ownership**

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According to Chris Nassetta, CEO of Hilton in his interview with financial times, back in 2007, only 15% of the group's development pipeline was on international chain and today that has been increased to almost 50%

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showing that Hilton is focusing on being a global integrated company (personal communication, 8/4/11)

The prosperous n Asian economy shows a demand for high end luxury products, this is proved in the success of Waldorf Astoria Shanghai. Hilton Worldwide aims for aggressive expansion plans of the luxury brand Waldorf Astoria and Conrad in the Asia Pacific Region, mainly focusing in China and India which includes the Waldorf Astoria in Beijing and Hyderabad as well as a Conrad in Mumbai and Koh Samui. China's rapid growth in economy and the inbound and outbound market of this region had grown, earning USD 48.5 billion in tourist receipts in year 2011 showing a growth of 5.8% from the previous year (UNWTO, 2012) and Hilton aims for a large market share in this profitable market. 60 properties out of the entire pipeline is planned in Mainland China, making China the Hotel's second largest market after America over the next few years. Hilton will open a total of 10 properties in India by 2012 and estimates to have 50 hotels there by 2015. Hilton Worldwide would also introduce its midscale Hampton brand in the Asia Pacific region to accommodate wider range of travellers (businessstraveller.com, 2011).

Hilton also has extensive growth strategy in the Latin American region and announced that the region would be among the leading markets for upcoming hotel openings with the stable economy and estimation of 25 million tourist arrivals in 2012, growth of 2% which provides business opportunities for both business and leisure travellers. The South American Hotel and Tourism Investment Conference reported that capital and operating cost of hotels are approximately 5% less compared to the US and <https://assignbuster.com/history-of-hilton-worldwide-marketing-essay/>



are perceived as low risks as the hotel demand in the region is high and companies could expect optimum return in investments. (Freed, 2012)

Development in new hotels would focus in destinations such as Argentina, Brazil, Columbia, Costa Rica, Mexico, Panama and Peru. By the end of 2013, Hilton Worldwide plans to open another 14 hotels which includes the Waldorf Astoria, DoubleTree, and Hampton brand (Hilton Worldwide, 2012).

**Hilton Worldwide is also growing in the Middle-East and Africa regions and announced that it has the largest number of hotels under active pipeline across this region, with 41 active projects currently which makes up 11.5% of the entire pipeline in this region. Hilton also reported that they are experiencing optimum performance in this region and expects to bring two new brands into the region with the opening of Conrad Dubai and Waldorf Astoria in Ras Al Khaimah, UAE. The company would also invest in four new markets which is Lebanon, Doha, Uganda and Emirates of Shariah to extend the presence of Hilton brand in the MEA region. (Hilton Worldwide, 2012) In Doha, Hilton Worldwide had signed a management agreement with Al Rayyan Tourism Investment Company (ARTIC), part of Faisal Holding Company LLC for two new DoubleTree hotel. (hoteliernmiddleeast.com, 2011)**