

Marriott: Marketing Research Leads to Expanded Offerings

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Introduction

Marketing research is an essential part of marketing. Companies are helped by it to stay competitive and avoid the high costs of poor decisions based on unsound information. (Malhotra N.K., 2010) In the similar way, a crucial role has been played by marketing research in helping Marriott to segment the market and develop its line of hotels. For instance, conjoint analysis was used by Marriott to design Courtyard that is an enhanced facility in terms of physical layout and services. (Wind et. al., 1989) Marketing research is proved successful for Marriott in keeping track of changing needs of consumer and business customer, identification of new prospects in the hotel market, development and differentiation of its different brands, and development of strong equity. This paper is aimed at discussing the role of marketing research in the successful marketing of any product (Malhotra, 2010).

Role of Qualitative Research

An appropriate research design would be to set off with exploratory research subsequent to descriptive research. The purpose of exploratory research is identification of the pertinent elements that are used by business and non-business travelers in appraising hotels. The analysis of secondary data and qualitative research should be involved in the exploratory research in the form of focus groups. The aim of descriptive research would be to determine the predilections quantitatively for Marriott and its competitors. For this purpose, cross-sectional descriptive surveys are recommended (Malhotra, 2010).

The role of qualitative research is to furnish Marriott with related information that will help in delimiting the approach of further permeating the segment of non-business travelers. It can help out in the developing an approach to the problem through the better hypothesis'

generation and the addition of variables that are not instinctive. Since qualitative research is a non-statistical and unstructured technique, thus there is a likelihood of misuse of its results, if they are used by Marriott to draw generalizations regarding the majority population or consider them as conclusive (Wind, Green, Shifflet & Scarbrough, 1989).

Segmentation of Respondents

Respondents can be segmented on the basis of their evaluations of hotels on quality, price, service, amenities, comfort, and convenience. One of the segments can be business travelers: they can be offered ample workspace within the room, high-speed Internet access, and other amenities that are likeable to the business traveler. Other can be travelers that can be offered services that are low on pocket; this segment is price sensitive. Another segment could be the travelers, traveling for spending their vacations with family. Family-style vacation market, with a focus toward comfort and affordability is targeted in this segment.

Thus segmentation can be done on the basis of income group (price sensitive or valued services at any cost), on the basis of extent of stay at hotel (staying for more than a few nights or for a day or two) and on the basis of nature of trip (business trip, conference, family vacations or honey moon trip etc.). Charts and Graphs Used in Preparation of Report for Marriott. For the presentation of percentage estimates, Pie Charts can be used. For the graphical representation of variables that are interval scaled, frequency counts can be obtained and then data can be presented through histograms and bar charts (Wind, Green, Shifflet & Scarbrough, 1989).

SWOT Strategies

Marriott Corporation was begun in 1972, and its founder is Marriott is J. Willard Marriott. The enterprise became one of the premier lodging and nourishment service businesses in the U.S. in 60 years. Marriott had three foremost lines of business: lodging, affirmation

services and restaurants. Lodging procedures embraced 361 inns, with more than 100,000 rooms in total. Hotels expanded from the full-service, high-quality Marriott inns and suites to the rather cost Fairfield Inn. Contract services provided nourishment and services management to wellbeing care and informative organizations and corporations. It furthermore provided airline catering and airline service through its Marriott In-Flite Service and Host International operations. Marriott's bistros embraced Bob's Big Boy, Roy Rogers, and Hot Shoppes. When the management of Marriott considered a buying into task, they utilized a befitting obstacle rate to discount the befitting money flows. Since the lodging assets had longer helpful inhabits than affirmation service partition and bistro partition, the cost of liability at each partition are different. Also, the foreseen comes back at each of the three partitions were distinct as well. Therefore, the Marriott's management very resolute to use distinct obstacle rate for each of the three divisions (Arias, & Stern, 2011).

The divisional obstacle rate had an important outcome on the firm's financial and functioning strategies. If obstacle rates were to boost, the present worth of task inflows would be declined, and the company's development would be reduced. Marriott furthermore advised utilizing the obstacle rates to work out inducement compensation. Managers would be more perceptive to Marriott's financial scheme and capital market situation, if the reimbursement conceives could contemplate obstacle rates.

In April 1988, Dan Chores, the company's vice leader of task buying into, was coordinating his annual recommendations for the obstacle rates at each of the firm's three divisions. Since the obstacle rates would sway the firm's financial and functioning scheme, he had to address all the facts that affiliated to this investigation, and consider the rates very carefully (Burke, 2000).

Grand Strategy Matrix

Marriot use cost of capital as the obstacle rate to discount future money flows for the buying into tasks of the firm's three divisions. Hurdle rate is the least significant rate of arrive back that is required in alignment for the enterprise to accept the investment. Marriot use the obstacle rate to consider the snare present worth and snare present worth over cost to resolve for the profits rate. Since cost of the task resides unchanging, snare present worth and obstacle rate are utilized as variable to resolve if they should accept the project. The higher the obstacle rate, the lesser the snare present worth because future money flows are discounting at a higher rate. This furthermore entails lesser arrive back on the project. However, WACC and snare present worth of the task should be advised and calculated individually for each partition for distinct investments projects. Therefore number A could be deceptive because it does not distinct obstacle rate into distinct division.

For demonstration, NPV is equal to no one when obstacle rate equal to 10% as claimed by number A. But for a partition with lesser risk, it could have affirmative NPV when obstacle rate equal to 10%. Therefore, use a firm very broad WACC, they might end up down turn good tasks for decreased risk partition and accept alarming tasks for high-risk division. As the case shows, WACC can only assess buying into of alike risk class except we take into concern of risk constituent of the partition or the industry. For the inducement reimbursement, we acquiesce with the evaluation of the divisional arrive back on snare assets and market-based divisional obstacle rate to come to at the befitting reimbursement rate (Burke, 2000).

Conclusion

In a nutshell, it can said that Marriott has utilized marketing research successfully in developing a segmentation approach of targeting diverse customers with dissimilar needs by

providing a line of products and choices. Marriott has been helped by the diverse offerings to attain attention of growing wide range of clients and succeed greater business. Sustained dependence upon marketing research will be crucial to success of Marriott in the future.

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