MARKET ANALYSIS: INTERCONTINENTAL HOTELS GROUP

FREE FRANCK

FULL SAIL UNIVERSITY

BIN560-O

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Brands



- As of December 31, 2020, the company had approximately 5,964 hotels and 886,036 rooms in around 100 countries.
- IHG owns, manages, franchises, and leases hotels in the Americas, Europe, Asia, the Middle East, Africa, and Greater China.

Sector: Consumer Cyclical

Industry: lodging industry

EXPANSION ANALYSIS

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- With its large size, India offers a huge range of attractions, including beach holiday destinations, eco-based tours, and cultural sites
- High-quality luxury accommodation is increasing in well-established tourist destinations
- The country's cultural sites are a major draw for tourists.



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- While the domestic travel market is large, low averag income levels mean it is concentrated in the budget travel segment
- India's tourism industry is vulnerable to economic declines in key source markets, especially in the Asia Pacific region.

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- Development costs are relatively low, with a large labor pool an plenty of underdeveloped real estate.
- India is an attractive destination for alternative tourism and attracts a growing number of backpackers, as well as yoga, meditation, and spiritual enthusiasts.
- The extension of the e-visa for tourists has increased the number of tourists coming to India.

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- India lacks a lot of sanitation infrastructure, which is a deterren for tourism.
- Progress in terms of government reforms is slow and political competence varies across the country
- The market is at risk from extreme weather events, such as flooding, placing seasonal limitations on tourism.

IHG OUARTERLY SWOT ANALYSIS • 2020

PRODUCT/SERVICE ANALYSIS

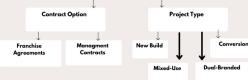
IHG has hotels categorized into collections for different accommodation needs. With hotels already located in India, their thoughts are to increase their footprints in the luxe arena.



MARKETING DATA FLOW CHART







Hotel Strategic Analysis

CONTRACT OPTIONS

With a focus on franchising and management, IHG® supports owners to bring our brands to life and drive shared success. We offer two types of contracts, and our development team helps owners determine the most appropriate arrangement.

FRANCHISE AGREEMENTS

More than 80% of IHGbranded hotels operate under franchise agreements. IHG franchises benefit directly from our global support network, integrated distribution, technology resources, and award-winning marketing initiatives.

MANAGEMENT CONTRACTS

Contracting IHG to manage allows owners to realize their vision without having to manage daily operations. IHG is a seasoned hotel operator and can draw upon its talented management and operational efficiencies to maximize guest satisfaction and financial performance.

PROJECT TYPES

Given the unique requirements of each development, we work closely with owners to determine the most appropriate configuration for their hotels. Projects generally fall into one of four categories:

New build

Ground-up construction allows developers to incorporate individualized design aspects to meet specific market demands. We also offer award-winning, streamlined prototype design concepts for our mainstream brands.

Conversi

IHG has a proven model for converting properties for each of our brands. Our property improvement planning (PIP) and hotel opening processes and teams facilitate swift, efficient transition for both staff and property, ensuring a superior guest experience and solid operational performance.

Mixed-use

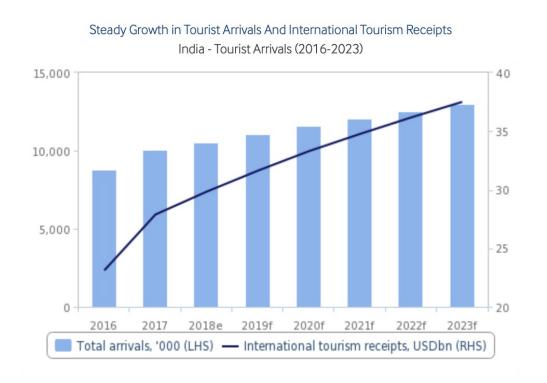
This successful model combines the hotel with retail, office and/or residential components, yielding construction synergies among adjacent assets. Hotel services may also be offered to residents/tenants, generating an incremental revenue stream.

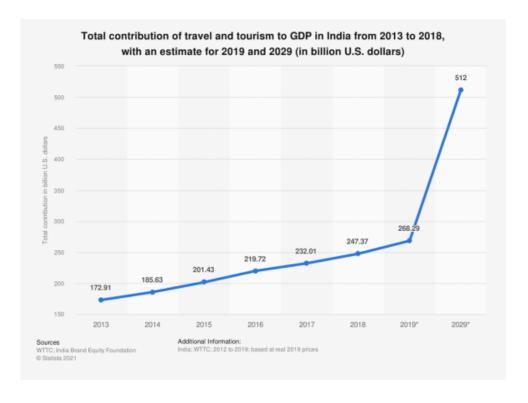
Dual-brand

Combining two brands together allows the properties to share common space, staff, and construction and operational resources while maintaining each brand's unique identity. This concept also offers the ability to attract a broader mix of guests to the same location.

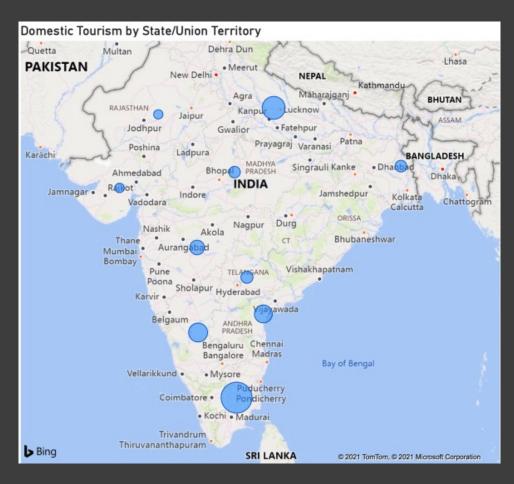
QUANTITATIVE ANALYSIS

Travel and tourism is one of the largest industries in India, with a total contribution of over 247 billion U.S. dollars
to the country's GDP and estimated to double in the coming years. (Statista, 2021).

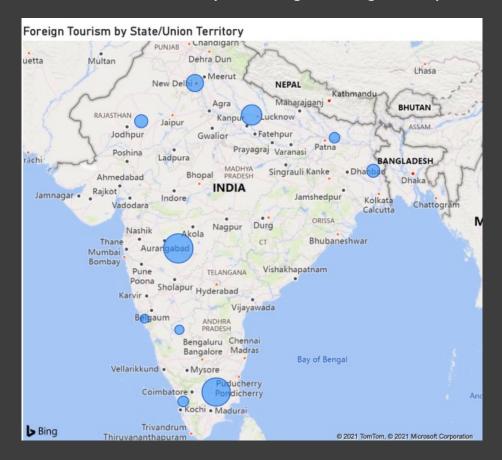




TARGET AREA ANALYSIS



- IHG is planning to increase business in locations in Tier I and Tier II cities such as New Delhi in the North; Bangalore, Chennai, and Cochin in the South; Kolkata in the East; and Mumbai and Pune in the Wes
- Tourism is one of the many areas targeted for growth by the Indian government.



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