

Brief Summary of the Sheraton Company

Sheraton supports its guests through a network of more than 400 hotels in 70 countries. The company has recently implemented a program of modernization of the global brand in the amount of \$ 6 billion, and is currently undertaking a global expansion of the brand planned for the next three years in the amount of \$ 5 billion. Sheraton is the largest and most global brand of Starwood Hotels and Resorts, the leader in the field of tourism and recreation with its 1025 hotels in more than 100 countries and States and employing 145 000 people. Company Starwood Hotels is the owner, operator and franchisor of hotels, resorts and residences of the following brands: St. Regis®, The Luxury Collection®, W®, Westin®, Le Méridien®, Sheraton®, Four Points® by Sheraton, and the recently opened Aloft® and Element SM. Starwood Hotels also owns Starwood Vacation Ownership, Inc., one of the premier developers and operators of services that provides the possibility of premium apartments temporary rental.

Sheraton's Direct Competitors, Their Strategies / Tactics Analysis

Travel companies are more likely to be vulnerable by the growing needs of consumers and new competitors than by the competitors existing in the field of tourism. Travel companies closely watching the actions of customers and competitors have chosen the right market orientation. Merely understanding one's consumers is not enough for today's successful business. There was a time of intense competition, both in foreign markets and the local. In many countries the economy is less regulated by the state, which encourages the development of market processes. In today's global world there is a tendency of disappearing trade barriers between countries, so that many companies markets previously protected from the intrusion of foreign tourist stand as unregulated for now. Due to the novelty of the tourist product and providing excellent services to business tourists, the level of which could not be

reached by its competitors, the hotel chain Sheraton quickly achieved its success. Being still the leader in the United States, however, it lost its competitive advantage on the European market, since it was forced to face new competitors. Three direct Sheraton 'competitors are considered to be Radisson Hotels & Resorts, Hilton and Marriot hotel chains (Ulrich & Lake, 2001).

Radisson Hotels & Resorts

Radisson hotel chain is one of the world-famous hotel brands that came into the world hotel industry of the United States. Radisson hotels can be found today in almost all the popular resorts of Europe, Asia, Africa and America. Full name of the network is Radisson Hotels & Resorts. Radisson hotels in the majority provide good service with their * 4-5 hotels. Market niche companies are luxury hotels, as well as major hotel resort complexes. In the market chain Radisson appears under two brands, Radisson in the United States and the Radisson SAS for the rest of the world. Last brand was launched in cooperation with the Scandinavian airline SAS. Hence, the second name in the title of hotels. More than 150 hotels are currently operating under the brand of Radisson SAS. Management of the Radisson SAS Hotel in Europe is carried out by Rezidor Hotel Group, headquartered in Brussels. Since 1962 the network of Radisson has belonged to the family of Carlson. One of the richest clans in USA operates 450 Radisson hotels in more than 60 countries around the world.

Radisson actively uses modern mechanisms for attracting and retaining customers. Loyalty program in the hotel Radisson is one of the most effective tools. The latest version of the system of discounts and bonuses for guests at the Radisson is called 'Radisson goldpoints plus'. 'Goldpoints plus' provides for the accumulation of points for customer's using the services at Radisson Hotels. Subsequently, these points can be used as a premium bonus

when renting hotel rooms at Radisson. The system of discounts also covers hotels and other networks under the management of Carlson Companies: Park Plaza, Country Inns, Park Inn, and Regent. Moreover, Radisson is the only hotel chain offering a separate loyalty program for tour operators, called Look To Book.

Among the latest innovations at Radisson accommodation Sleep Numbers is particularly comfortable with specially designed beds Select Comfort. These rooms are available in the United States of America, Canada and around the resorts of the Caribbean. Actually, the beds in the Radisson rooms have always been one of the main advantages of the hotel chain, regardless of the level of the hotel.

Marriott Corporation

Marriott hotel chain is known for extremely high quality of service and reputation of one of the best hotel networks in the world. Marriott began its history in 1927 with a modest family business in catering. The first hotel under the name Marriott appeared in 1957. Today, Marriott hotels can be found on all continents except for Antarctica. Giant Empire has more than 2,500 hotels worldwide. The staff of the company counts over 200 thousand people, while the annual revenues have crossed the mark of 10 billion dollars. Marriott is a multi-brand corporation. It presents the hotels and inns, which cover a wide range of target groups. Among the brands of Marriott: luxury hotels under the brand name Bulgari and the Renaissance, for the middle class hotels Courtyard Marriott, the hotel chain Residence Inn and Fairfield Inn, a restaurant chain Howard Johnson. Marriott owns 49% of the world-famous chain of luxury hotels Ritz-Carlton (Chekitan & Morgan, 2005). In this case, of all of the hotels under the Marriott brand the founding family rightfully owns only 6 hotels. Half of the Marriott hotel stock is now operating on to the franchisee's terms; the second half does not belong to Marriott either, however, it is under his control. Marriott attracts guests in

various ways. The most famous is the company's action on discounts offers, which is called the Marriott Reward and any client may participate. Having spent a certain number of days at hotel's rooms, the customer is entitled to rely on a number of bonuses under the program Marriott Reward, ranging from free breakfast to exclusive gifts in the room and the possibility of free accommodation. Marriott Reward is today supported by 9 network brands. Marriott is changing the tactics of its hotels in accordance with the spirit of the times. In 2006 all the hotels of the company located in the United States and Canada strictly followed the non-smoking rules. Marriott is also known for its Green Marriott environmental harmful effects reduction campaigns.

Hilton Hotels Corporation

Hilton hotels chain is one of the largest and most famous in the world. Recently the glory of the brand Hilton has relegated to the second place due to the efforts of the owner's daughter of this network, Paris Hilton, who has become a symbol of the world's glamor. Anyway, Hilton hotels are still among the most prestigious in the global hotel market. The full name of the company is Hilton Hotels Corporation. Hilton is considered as one of the oldest hotel chains in the world with its founding date 1919. Throughout the twentieth century, Hilton has firmly held the position of one of the leaders in the hotel business. To date the corporation operates a total of 2,600 hotels, the number of rooms in which goes over 480 thousand. Hilton hotels can be found in 80 countries around the world. In addition to the brand Hilton Hotels the Corporation owns a dozen brands, including the famous luxury hotels Waldorf-Astoria. For the last decades the Hilton Hotels Corporation business has not been going smoothly. An increased competition from other major chains such as Marriott, Sheraton and Best Western, as well as the downturn in the tourism industry, has affected the company's revenues. In 2007, the Corporation reported a decline in profits. The same year the

family business Hilton was sold for 26 billion dollars to the American investment fund Blackstone Group.

Internal and External Environment of the Company. Sheraton's Advantages

Sheraton Hotels & Resorts, like all brands belonging to the strong portfolio of Starwood, is proud to be offering the program Starwood Preferred Guest® (SPG®), the launch of which in 1999 caused a real sensation by offering an innovative policy of no blackout dates on Free Night Awards. SPG® program provides participants with the opportunity to realize their bonus points at more resorts with extended capabilities for pleasure, in a greater number of European hotels with the highest number of golf places than programs of any other hotels. Generally, the hotel is distinguished with excellent logistics. They offer free shuttles to the ferry, convenient location close to various entertainment centers, such as casinos, amusement parks, water shows, etc. For example, Sheraton hotels in Asia are much better than other hotels around on the average, and that is despite the fact that access to the infrastructure stands of approximately the same quality / price ratio in favor of this hotel compared to the neighboring ones. The rooms are large, well-designed in terms of convenience. Guests praise the hotels' cooks for decent breakfasts, the only nuisance being the crowded dining-rooms, so to save one's nerves, visitors suggest not to go down in the peak hours. The hotels are known for their very good services, and indeed, according to the Starwood Preferred Guest system they've got a separate reception with no lines, a lot more advantages when extending, generally distinguished with very careful attitude to customers, despite the huge flow of visitors even on weekdays. Middle class visitors prefer staying at Sheraton hotels due to their more affordable prices compared with the competitors. The quality of the hotel rooms are always on the top with very comfortable beds, great view from

the windows on the surrounding area, a great fitness room with sauna and huge pools (Chathotha & Olsen, 2003).

Sheraton Company Creating Value and Sustaining Competitive Advantage

Company Starwood Hotels & Resorts Worldwide, Inc. announced their owned world famous hotel chain Sheraton together with the owners invested more than \$ 100 million in upgrading 120 Club lounge (Club Lounges) around the world, including leading hotels chains such as Sheraton Edinburgh (Scotland), Sheraton Waikiki (Hawaii), Sheraton Hong Kong (China), and Sheraton Buenos Aires (Argentina). Empowering Sheraton Club Lounges, one of the most famous hallmarks of the brand Sheraton, is the final stage of the global program of hotels brand renovation in the amount of \$ 6 billion. Business tourist starting to travel actively again will find during their trips the latest in the history of the brand portfolio of Sheraton Club Lounges. Open seven days a week, Sheraton Club Lounges are considered one of the strongest benefits of staying at the Sheraton for the members of the program Starwood Preferred Guest. Members will represent more than half of all hotel guests at Sheraton. Sheraton brand boasts with greater number of hotels with Club Lounges than their competitors possess, and most of which offer spectacular views together with improved club features such as free breakfast, midday snacks, drinks, flat-screen TVs, Wi-Fi, selection of daily newspapers and many others. Hoyt Harper, the head of brand Sheraton Hotels & Resorts Worldwide, Inc. explains that while its competitors had reduced their offers, Sheraton acted differently. They decided to continue to invest in its global portfolio of brands with significant improvements to its Club Lounges to ensure the highest level of performance and providing luxury service to its guests. And today is the right time for this. The number of trips goes back to the pre-crisis, and travelers again draw their attention to the improved facilities and services as key elements that define the guests' impressions from the hotels.

References

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