Hilton Company Research Project

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I. Business Description

Hilton is among the fastest growing hospitality companies in the world. They are a lodging company offering room and board to all travellers. Hilton offers fourteen hotels in their portfolio, including a hotel in every price bracket in the industry and caters to every type of traveler. The fourteen different hotels offer an incredible amount of variety to their guests in order to cater to the guests' needs. Hilton also offers an enticing customer loyalty program, covered later in this paper.

A. Location

Hilton is headquartered in McLean, Virginia. There are more than 540 Hilton hotels and resorts throughout the world. Some of the most popular locations are Atlanta, Budapest, Cape Town, Dallas, Hawaii, Paris, and Sidney.

B. Type of Business

Hilton Worldwide provides lodging services and accommodations.

C. Type of Service

Hilton Worldwide offers a variety of services including: room service, a workout center, pools and spas, continental breakfasts, conference rooms, and event management for various meetings, wedding receptions and ceremonies, proms, or other functions.

D. Product Description

The Hilton Worldwide company offers a wide variety of products. These products include, but are not limited to: The various brands of hotels featured in the company’s portfolio, the physical rooms that a guest can rent out, customer service that happens any time a guest interacts with an employee at the hotel, use of the hotel lobby, and TVs for the guests to use both in their rooms and shared areas of the lobby.

E. Vision, Mission Statement, and Values

1. Vision: “To fill the earth with the light and warmth of hospitality –by delivering exceptional experiences – every hotel, every guest, every time”
2. Mission Statement: Hilton’s mission statement reads, “To be the most hospitable company in the world – by creating heartfelt experiences for Guests, meaningful opportunities for Team Members, high value for Owners and a positive impact in our Communities.”
3. Values: Hospitality, Integrity, Leadership, Teamwork, Ownership, Now
    a) Hospitality: The Hilton website states, “We’re passionate about delivering exceptional guest experiences.”
    b) Integrity: The Hilton website states, “We do the right thing, all the time.”
    c) Leadership: The Hilton website states, “We’re leaders in our industry and in our communities.”
    d) Teamwork: The Hilton website states, “We’re team players in everything we do.”
    e) Ownership: The Hilton website states, “We’re the owners of our actions and decisions.”

f) Now: “We operate with a sense of urgency and discipline.”

II. History and Fun Facts about the Company

A. History

1. 1925: Conrad N. Hilton opened the first Hilton Hotel; Aimed to operate the best hotel in Texas.
2. 1927: Hilton opens its first hotel with cold running water and air-condition in Waco, Texas.
3. 1943: Hilton becomes the first coast-to-coast hotel group in the U.S. after purchasing The Roosevelt and Plaza Hotels in NYC.
4. 1946: The Hilton Hotels Corporation is formed and files into The New York Stock Exchange.
5. 1947: New York City’s Roosevelt Hilton becomes the first hotel in the world to install TV’s in guest rooms.
6. 1949: Hilton International is formed with the opening of Caribe Hilton in Puerto Rico; Barman Ramon “Monchito” Marrero creates the Pina Colada;

   Conrad Hilton becomes the first hotelier to appear on the cover of Time Magazine.
7. 1955: Hilton creates its first central reservation office called HILCRON; Hilton Istanbul becomes the first modern hotel built from the ground up in post-World War II Europe.
8. 1958: Barron Hilton introduces the Hilton Carte Blanche credit card.

9. 1959: Hilton pioneers the airport-hotel concept with the 380-room San Francisco Airport Hilton.
10. 1965: Lady Hilton becomes the first hotel concept designed exclusively for women (Women-only floors/rooms, Special amenities for women).
11. 1967: Trans World Airlines buys Hilton International; Conrad Hilton resigns presidency to become Chairman.
12. 1979: Conrad Hilton passed away at the age of 91.
13. 1987: Hilton introduces Hilton Honors Guest Loyalty Program.
14. 1995: The first Hilton website launches www.Hilton.com.
15. 2007: Christopher J. Nassetta becomes President and Chief Executive Officer.
16. 2009: Hilton Hotels Corporation changes their name and logo to Hilton Worldwide; Hilton's headquarters move from Beverly Hills, California to McLean, Virginia.

B. Fun Facts

1. 1947: The Roosevelt Hilton in New York City becomes the first hotel in the world to install televisions in guest rooms.
2. 1950: The Stevens Hotel (now Hilton Chicago) creates its first special amenity for female travelers: a folder containing "social note paper," a sewing kit, a booklet with names and telephone numbers for babysitters, places to get a dress patched or ironed, and gift shops. Many male travelers take these hotel kits home to their wives as gifts.

3. 1994: Michael Jackson performs his last concert in the U.S. and stays in Hilton Hawaiian Village: Waikiki Beach Resort & Spa's, Ali'i Tower's Mahele Presidential Suite.
4. 2006: Movies, including "Spiderman III", "Michael Clayton", and "American Gangster" were film at the Hilton New York.
5. 2008: Hilton in Vancouver, Washington makes history in 2008 as the first hotel to be both Leadership in Energy and Environmental Design (LEED) and Green Seal certified.
6. Paris Hilton is Conrad Hilton's great-granddaughter.

III. Sales and Marketing

Hilton Hotels global sales team conducts business in 42 languages, serving 25,000 customers in 101 countries with more than 700 sales team members from offices located around the globe. This allows Hilton to truly understand the unique needs and opportunities of regions around the world, right down to the local level. Hilton sales generated over $19 billion in revenue in 2015 including Global Sales, Hilton Reservations & Customer Care, and 3rd Party Distribution. Regional marketing offices around the world offer the powerful benefits of global scale and presence.

A. Customer Profile

Hilton Worldwide's company profile is extremely inclusive due to the wide variety of hotels and resorts in their portfolio. The Hilton Hotels can accomodate pretty much anyone you could think of. Hilton Hotels can accomodate guests such as: international travellers, large group travel, family travel, business travellers, celebrity travel, sports travel, political travelers, and many more. However, Hilton always builds its hotel near business centers, as this is their most reliable source of customers.

B. Advertising, Promotion, and Slogan

Hilton has ran dozens of different advertising campaigns during its many years of operation. Hilton's slogan since 2012 has been: "Stay Hilton, Go Everywhere." This slogan focuses on global travels and is centered around luxury, comfort, and relaxation within any of the Hilton hotels. Other slogans since 2012 are: "Go Chill, Go Refreshed, Go Foodie"; "Hilton Garden Inn. Everything. Right where you need it"; and "Take me to the Hilton." Hilton's promotions are as numerous as their advertising campaigns. Most of their promotions are earned through Hilton's rewards program, Hilton Honors. Promotions include point multipliers, complementary foods and services, and free excursions. Hilton Honors is broken down into 4 levels: Blue, with 0 stays per year; Silver, with 43 stays or 10 nights per year; Gold, with 20 stays, 40 nights, or 75,000 base points a year; and Diamond, with 30 stays, 60 nights, and 120,000 base points a year.

C. Method of Sales

Hilton is a huge, worldwide company and thusly it has many different revenue streams. In 2015, sales reached over $19 billion. Hilton's sales team is comprised of more than 700 dedicated sales team members, who cover over 42 languages. Sales come through Global Sales, Hilton Reservations & Customer Care, and 3rd Party Distribution. The majority of reservations, and therefore sales, are made online through third party companies. However, Hilton encourages its customers to book with them directly through their website.

D. Pricing Strategy

Hilton uses various factors in order to determine the prices of their various services and rooms. Some of the factors include, but are not limited to: brand, market fluctuations, demand for rooms/services, events going on in the surrounding area, availability within the hotel itself and surrounding hotels, and any sales or promotions currently being offered.

IV. Position in the Market (Competition) - Market Analysis

After the Marriott's purchase of their major competitor, the Starwood Hotels and Resorts, Marriott has jumped position in the hospitality market to become a major competitor with the Hilton. The Hilton is the leading hotel brand, catering to business men and women, honeymooners, families, leisure travellers, and extended stay guests. However, the Marriott's leap in market value and assets are certainly a concern for the Hilton's market position.

A. Industry Analysis

The hotel industry has benefitted from a strong economy, higher income, increased consumer confidence, and a strong labor market. Airbnb is a rising threat to traditional hotels, offering digital booking for houses at holiday destinations and acquiring stock shares from major hotel brands like the Hilton and Marriott. As earning trends continue to rise and hotels move from owning real estate to franchising their brands, hotels should expect financial gains in the industry.

B. Cultural Difference and Difficulties

As hard as it might be to believe, Hilton Worldwide has locations worldwide! In fact, they have hotels in 105 countries. So of course they have faced many challenges in adapting their business to different cultures. Some of these challenges include providing adequate levels of cleanliness in Japan, providing religiously appropriate food items in Hindu and Muslim countries, providing entertainment options which are culturally appropriate in Muslim countries, and finding which amenities to stock in order to satisfy specific cultural needs. Every culture and location is unique, but Hilton has dealt with adapting into so many that they have developed a business strategy which has proven successful in accomplishing this.

V. Management System

It all begins with an extensive orientation that includes a serious introduction to all aspects of knowledge and leadership skill training. Hilton Hotel's General Managers – who are in daily communication with their Operations Area Vice Presidents – are carefully selected and recommended to ownership groups based upon skill, talent and experience levels that a particular property may require. They have expertise in all primary markets and regions, and carefully look for the right talent at the right location and property.

Hilton Management Services General Managers deliver:

- Average Tenure of 15 years
- Proven Leadership
- Unrivaled Skill and Knowledge
- Daily Communication

Hilton Management Services has extensive knowledge of employment benefits and compensation, and maintains a comprehensive hotel training library in all related areas, including guest service.

A. Human Resources

The Hilton HR and Training resources include: software programs PeopleSoft and SuccessFactors, they use programs that track recruitment, drug testing, retainment, statistics in employees and the company, and background research. This company offers first rate hotel training. Hilton management service has everything the employee would need to know regarding employment benefits and compensation, information on comprehensive hotel training. Regional managers also work with the staff at every location in order to ensure consistency and quality in every training experience in every Hilton property. Some other aspects that Hilton offers through their HR team are:employment relations, collective bargaining agreements, recruiting, training, and employment law.

B. Organizational Structure

Hilton follows a standard organizational structure. The CEO, Christopher Nassetta, oversees all productions. Below Nassetta are various positions such as

EVP Corporate Affairs, EVP President Americas, EVP and CMO. Below them, there is a layer of individuals who help them with their jobs. Under that layer is middle management. Middle management oversees staff members throughout the Hilton brands.

C. Hiring Process

On the Hilton website, there are various ways to look for job positions. They have a list containing all jobs available that you can narrow down using filters. They also have types of jobs sorted into categories on their website. You choose a category then find the jobs in the category that interest you. There is an application, interviews, background checks, the standard hiring process and requirements. They explain what recruitment fraud is and how to deal with it if encountered. They offer disability accomodations for the hiring process as well as being an equal opportunity employer. They offer their hiring services to third party companies.

D. Ownership/Proprietorship

Hilton Hotels organizational structure is surprisingly complicated. Recently, it was bought by Blackstone Investing Firm. Additionally, it is in the process of being split into three separate, publicly traded companies. Hilton Worldwide will split the real estate and timeshare aspects from the rest of the company, in an attempt to lower its taxes and increase dividends.

VI. Financial Report

Hilton's most recent publicly available financial report is from 2015. In 2015, they serviced 140 million guests. RevPAR was up 5.4%, a figure calculated by multiplying the average daily rate of a hotel's rooms by its occupancy rate. A record 6 million Hilton Honors members were added, as well. By all accounts, everything is going well.

VII. Conclusion

Hilton Worldwide is a leader in the hospitality industry. They have a presence in every bracket and hotel type. They are the most renowned hotel company worldwide. Hilton has grown exponentially since its founding and continues to grow today. They have a storied history, and assuredly there is much more yet to be written.

VIII. Appendix: References and Minutes of Meetings

A. References

1. Hilton Brands | Global Hospitality Company. (n.d.). Retrieved March 21, 2018, from http://www.hiltonworldwide.com/

B. Minutes of Meeting

02/28/18

- 30 minutes in class
- Created and shared word document
- Assigned research to members
- Started research