



Development Trend of Hilton in the Post Epidemic Era and Development Suggestions Based on Quantitative and Qualitative Analysis Model

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ABSTRACT

In order to analyze the development status of Hilton in the post epidemic era and what strategies can be carried out, I collected the relevant data of Hilton from 2016 to 2020 and predicted the data in the next five years, not just a simple prediction, but also guided the decision-making through the qualitative analysis model. Firstly, in the quantitative analysis part, according to the data of previous years, several factors affecting the two indicators are selected, fitted with the regression analysis model, and the regression results are analyzed and compared to obtain the regression equation of revenue and expense. This article uses the five force analysis model and SWOT model to make a qualitative judgment on Hilton's current internal conditions, external resource environment, and external competition. Finally, according to the above analysis results, some suggestions are put forward for the development of Hilton. This paper analyzes the trend of Hilton in the post epidemic era. At the same time, other similar enterprises also have similarities. Through the early analysis and timely adjustment in the later stage, an enterprise will quickly get out of the shadow of the epidemic and usher in recovery.

Keywords: *post-epidemic, regression analysis model, SWOT model, correct, recovery*

1. INTRODUCTION

As a world-famous hotel group, Hilton has not stopped at its current achievements but has been expanding its industry at a high speed. By the end of 2020, Hilton has a total of 6478 hotels and 1019287 rooms in 119 countries and regions around the world, and they are still developing their industry, building characteristic resorts in more areas. I browsed Hilton's official website and saw the financial statements for 2016-2020. I found that 2016-2020 is the stage of the world's transition from a normal state to an epidemic state. With the gradual calming down and normal treatment of the epidemic, we will enter the so-called post epidemic era from 2021 to 2025, Therefore, I think I can predict and analyze the data from 2021 to 2025 according to the data of the first five years, observe the trend of Hilton in the post epidemic era, and what suggestions can be put forward.

From 2016 to 2020, before the outbreak, the development of Hilton International Hotel Group always showed an upward trend, and Hilton is a company with strong resistance. After the short attack during the outbreak, it showed a recovery trend. Moreover, in the

post epidemic era after the great impact of COVID-19, Hilton needs to adjust its policies in time to return to the economic level before the epidemic.

This paper covers the quantitative analysis and qualitative analysis in the post epidemic era of Hilton. The quantitative analysis part uses the regression analysis model to predict the data for the next five years through the data of expense and revenue in the first five years, in this way, we have a model that can be used to predict the data, which can effectively predict the values of revenue and expense from 2021 to 2025. Through the well-known observation and trend judgment, it can be seen that Hilton will soon return to its pre-epidemic level. But the quantitative analysis of the prediction of the past data of a public enterprise is not enough to fully determine the performance of an enterprise, so the qualitative analysis is carried out after the data prediction. There are many models that can be used to analyze the development of enterprises. For example, five forces model is applied to analyze Hilton's enterprise development [1], PEST model, SWOT model [2], and STP strategic analysis is used to analyze the development of Home Inns [3]. This paper analyzes Hilton from different angles through Five

Forces Analysis model and SWOT model. The analysis shows that Hilton's external competition mainly comes from enterprises of the same level and rising economic hotels, but there are also many hidden dangers in the future. Compared with other qualitative analysis literature, this paper adds the previous quantitative analysis part, while compared with the literature of pure digital feature analysis, this paper adds both quantitative analysis and qualitative analysis.

The rest of this paper is organized as follows: the second section describes the data and some suggestions; The third section describes all the models and methods used in this paper, including the Regression Analysis Model used to analyze the development trend of Hilton in the post epidemic era, SWOT Model and Five Forces Model used for qualitative analysis; In the fourth section, the paper put forward some suggestions based on the analysis results; The fifth section is the summary of this paper.

2.METHOD

2.1 Prediction: regression analysis model

The data can be further analyzed only after completing the predicted data. The regression analysis model used in this paper is a predictive model, which quantitatively describes the relationship between independent variables and dependent variables [4-6]. Therefore, in order to use this model for prediction, we need to take the quantity we want to predict as dependent variables and select several related dependent variables for regression analysis. The following is the predicted data and the analysis process.

2.1.1. Data sorting

The official website collects data from 2016 to 2020. Because revenue and expense are the influencing factors of cash flow, revenue and expense are set as variables to be predicted, and then important indicators affecting the two factors are determined through data search and analysis. By collecting and observing the financial statements of Hilton from 2016 to 2020 on Hilton's official website, because revenue and expenditure are the two most significant characteristics of cash flow, it is mainly planned to select two factors of revenue and expenditure for prediction and collect important data affecting these two indicators. In order to obtain the income of Hilton, we need to investigate some important factors affecting it. For the hotel, its revenue mainly comes from its room price, customer occupancy rate, and a number of rooms [7-9]. The room price is described according to the daily average price in previous years. It is set as ADR as the first independent variable to measure revenue, and the second independent variable is occupancy rate and the number of rooms. We use the number of new rooms as a measurement index for

prediction. As for the expenditure of Hilton, the salary of employees, the cost of newly opened hotels and resorts, and advertising expenses for marketing are mainly considered. The salary of employees, the number of newly opened rooms, and advertising expenses are corresponding to the above three indicators to predict the expenditure of Hilton.

Revenue: average daily room rate, new rooms, occupancy (Figure 1-Figure 7).

Expense: salary, new rooms, marketing.



Figure 1 “Revenue” arranged by years.

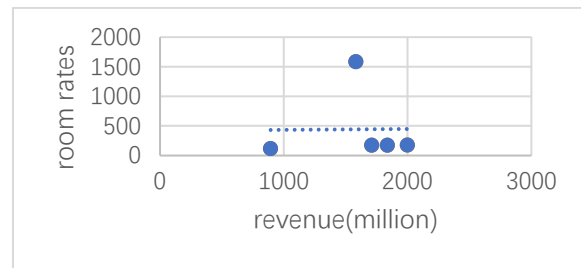


Figure 2 “Revenue” and “room rates” are highly correlated.

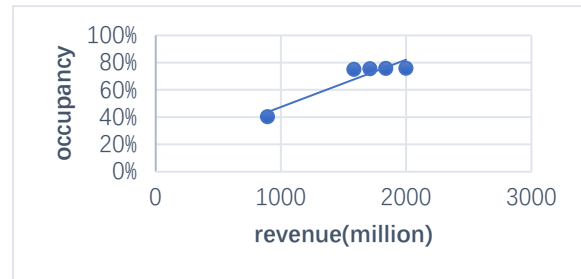


Figure 3 “Revenue” and “occupancy” are highly correlated.

Occupancy: The occupancy rate of guest rooms is an important factor affecting revenue.

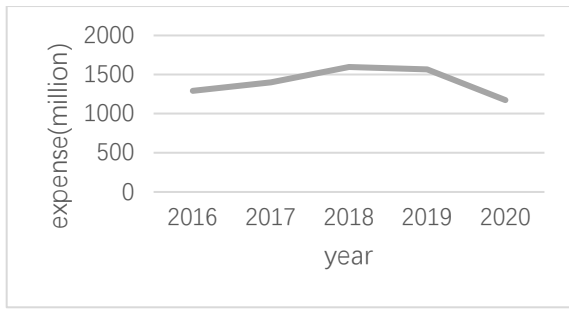


Figure 4 “Expenses” arranged by years.

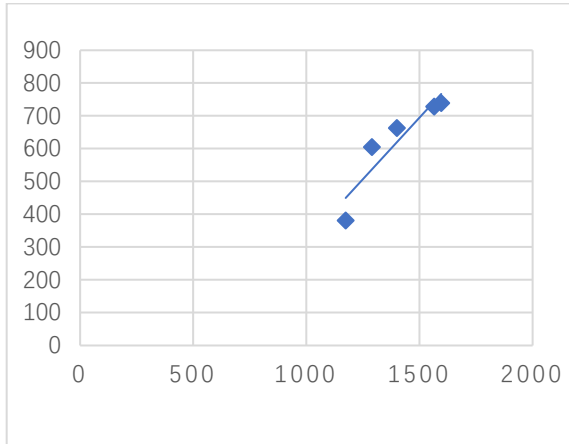


Figure 5 “Expense” and “advertising” are highly correlated.

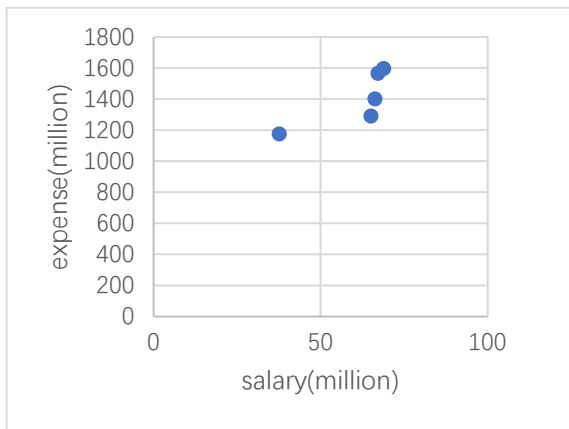


Figure 6 “Expense” is displayed as the field determined by height: “salary”.

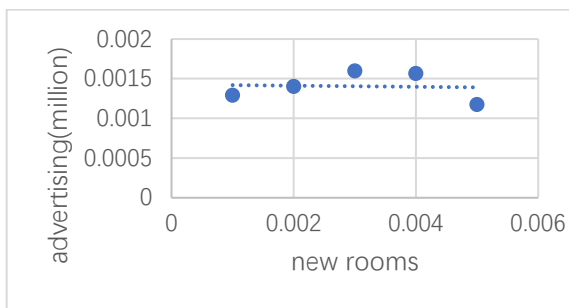


Figure 7 “New rooms” and “advertising” are highly correlated.

2.1.2 Regression equation:

According to the relevant data collected from 2016 to 2020, analyze the relevant data of the results:

Compare the R^2 , confidence of the output image, and the weight and residual term of each variable in the equation to judge whether the data is available and whether the output data has reliability.

R^2 and Adjusted R^2 : should be greater than 0.5(ranging from 0 to 1)

Confidence: if the confidence is set to 95%, P value should be less than 0.05

Residual term: it should not have obvious laws and trends, but a random sequence

By adjusting and modifying the weight and residual term in the equation, we obtained the regression analysis equation:

Revenue : $y = 103.0486x_1 + 0.01132x_2 - 14400.7x_3 - 5531.19$

Expense : $y = -18.2533x_1 - 0.00632x_2 + 2.917367x_3 + 1049.216$

2.1.3.Data for 2021-2025:

The predicted values of revenue and expense can be obtained by substituting the obtained data of six sub items into two equations respectively. Sort out the data of five years and draw a broken line diagram as follows (Figure 8):

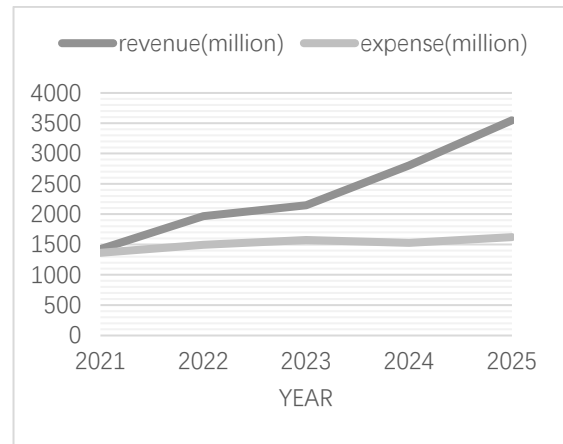


Figure 8 “Revenue” and “expense” are arranged by “year”.

2.2 FIVE FORCES MODEL:

Before SWOT analysis, a simple five forces analysis model will be carried out to facilitate the judgment of the four contents in the follow-up SWOT.

The five forces model was proposed by Harvard Business School Professor Michael Porter in the early 1980s. The model abstracts the competitiveness of competitors, the entry ability of potential competitors (new entrants), the bargaining ability of suppliers and buyers, and the ability of substitutes to replace into five forces, which act on the enterprise itself. From this, we can judge the resultant force of the five forces, that is, the comprehensive influence. At the same time, these factors will also affect the influence and competitive position of the enterprise itself. Through this analysis, it can be expected that the future competitive strategy of enterprises will play a guiding role.

Analysis of five forces:

Competitiveness of competitors:

As a high-end brand hotel, Hilton's competitors are mainly other high-end hotel brands, mainly including Marriott, intercontinental, Shangri La, etc. taking Marriott as an example, Marriott's financial situation is good. As an enterprise of the same level as Hilton, it has abundant funds, in place management, and strong comprehensive ability. Although it is limited in innovation, it still has strong competitiveness.

Entry ability of potential competitors:

A major threat to Hilton lies in the rise of economy hotels. Economy hotels are a good choice for young people to travel before they have accumulated a lot of wealth. For example, Huazhu's Ji hotels are suitable and affordable. Moreover, the construction cost of such hotels is far less than that of Hilton Hotels, which makes it more convenient for them to expand and occupy the market.

Bargaining ability of suppliers:

Because Hilton is a mature and high-end enterprise with stable suppliers and cooperation terms, Hilton's popularity, and good customer feedback will bring a good reputation.

Bargaining ability of buyers:

The explicit provisions of the price list make it difficult for customers to negotiate, but there will also be some problems because of its high brand appeal. For example, Hilton's employee preferential policy stipulates that only employees can use it. However, through understanding the folk rumors and discussion in the discussion area, I learned that some customers have taken "cheating" behavior, attempting to enjoy preferential treatment, but these unconfirmed are in the gray area, it cannot be called a loss on the surface.

The ability of substitutes to replace

As a world-famous high-end hotel, Hilton has been developing and expanding rapidly, which has been difficult to be replaced. Commercial land in hot cities is very scarce, so it is difficult for other substitutes to join.

With the rise of economic hotels, it is also difficult to be replaced because the target people are different.

In summary, the external competitive pressure on Hilton enterprises mainly comes from the old and big brand enterprises of the same level, such as Hyatt Hotels Corporation and InterContinental Hotels. However, due to the limited commercial resources in the advantageous areas of various cities, it is difficult for substitutes to enter the market, but the expansion will be more limited than that of economy hotels. There is less threat from suppliers and buyers.

2.3 SWOT ANALYSIS :

In order to comprehensively analyze the problem, the SWOT model is introduced for qualitative analysis, SWOT analysis combines the two aspects by analyzing the strengths (S), weaknesses (W), opportunities (O), and threats (T) of the enterprise in the competition. This paper analyzes the current situation and external conditions of Hilton from the four aspects of S, W, O, and T, and combines them to get some development strategies [10].

Through external analysis, competitive analysis, and internal analysis, four conclusions can be drawn:

Strengths : The first aspect is that with high popularity, high quality, and good background, the enterprise is relatively mature. Therefore, it can be concluded that Hilton is supported by the government. The innovative management model, "seven disciplinary ordinances" and good service attitude----" always smile" also works. It develops rapidly and actively develops the distribution of the company. The enterprise is relatively young and has no accumulated financial problems.

Weaknesses : The system is huge, and the entrusted management system leads to some gray areas in management, which are difficult to fully grasp. And the group is eager to expand, so it is difficult to ensure that the quality is fully guaranteed while developing rapidly, which will inevitably damage its reputation. As many new hotels running in, resulting in many internal problems. The hotel involves regional diversity, which leads to the management system not being suitable for local policies and customs.

Opportunities : The level of the world economy has improved and the income of residents everywhere has increased. With the gradual development of tourism, the possibility of hotel occupancy has increased. The convenience of transportation makes it more possible to travel and live. With the increase of we media in emerging industries and more freelancers, commercial applications have also become extensive. Marketing technology has become more and more developed. The enterprise is relatively young and does not have enough professional management experience and a tested business model.

Threats: Competition with old brand and big brand enterprises at the same level. The rise of economy hotels. The prospect of commercial real estate investment is uncertain.

Four strategies are judged according to the characteristics of four aspects:

Combine SW with OT respectively.

SO: First, vigorously develop advertising, develop a brand image, endorse online celebrities, and open self-media accounts. Then, increase diversified investment, subdivide target markets and develop diversified services in areas with prosperous businesses such as hot tourism cities.

WO: For grid management, select those with experience in different regions and those with less experience. Improve the management system. Strengthen quality monitoring (service, etc.).

ST: Develop diversified service modes that keep pace with the times. Launch more economical products, light luxury series.

WT: Focus on hot cities rather than expanding territory. Do not develop blindly, ensure quality and quantity.

3. Discussion

Through the analysis in Section three, the following conclusions can be obtained. Firstly, through the quantitative analysis and prediction of data, the development trend of the Hilton enterprise is very good, and it will return to the pre-epidemic level as soon as possible after the epidemic. Through qualitative analysis, some conclusions can be obtained. For SO strategies, we can make the following adjustments, first, make full use of the development of new technologies to facilitate and simplify the functions of booking and selecting service types, facilitate users to learn more information, and improve work efficiency. Then increase publicity efforts are also needed. If publicity is in place, more people will understand the brand itself and will be more inclined to be selected. Because the quality of the enterprise is good enough, efforts will be made to develop and make Hilton a symbol. And because of the developed tourism industry, improving the system of cooperation with tourism projects and having a convenient transportation network in hot spots will enhance the possibility of hotel selection. Next, from the two strategies, we can conclude that the first is, to improve the management system, because there are many new hotels, there will be unresolved problems inside. At this time, good management will prevent major problems. Strengthen supervision, such as strengthening the supervision from top to bottom. From the WT strategies, we can formulate a steady development strategy, not blind development, while orderly expansion,

we should also ensure quality and service, so as ensure a good reputation and brand quality. Action can be taken by St strategy, Broaden the scope of target people and try to set up light luxury brands and paying attention to the development of soft brands and brand diversity will attract more tourists.

4. Conclusion

This paper mainly analyzes what kind of economic situation Hilton will present after a short economic decline in the post epidemic era, and puts forward some considerable opinions according to the analysis results.

In the regression analysis part, the regression analysis model is used to predict the data for the next five years. By inputting the data of the first five years, the regression equation is determined, and then the data of the two indicators from 2021 to 2025 are basically determined according to the predicted values of the three important factors corresponding to the two indicators' regression equation.

In the later part of the qualitative analysis, the first model is the SWOT model, according to Hilton's listing, historical background, and market conditions, find out Hilton's own strengths and weaknesses, as well as opportunities and threats in the market from two aspects of external conditions and internal resources. The combination of opportunities and threats will be clearer so that we can adjust our plans and threats respectively; then it's coming to the part of the Five Forces Model, this part, mainly analyzes the external forces that enterprises may receive in the competition, classifies them into five kinds. The bargaining power of suppliers, the entry possibility of new entrants, the substitution opportunities of substitutes, the bargaining power of buyers, and the Competitiveness Act on the enterprises. After the analysis, it plays a certain role in the competitive decision-making suggestions of enterprises.

Despite the impact of the epidemic, Hilton, as a fast-growing and mature company, can quickly recover from the decline of short-term economic conditions, maintain the previous development trend and return to the level before the epidemic rapidly. After that, for the part of the qualitative analysis, some suggestions are put forward for Hilton. To sum up, the most important measure of Hilton Hotel is to strengthen the publicity and cooperation with relevant industries, not to expand blindly in development strategy, but to expand the target customer base, that is, in the development of high-end market, it should also slightly involve the low-end market, pay attention to the development of soft brand and strengthen self-management within the group.

There are still some deficiencies in the article. The first is, there are only two indicators, which are not enough to comprehensively analyze the problem. Then the follow-up impact of the epidemic and the counterattack of

the epidemic were not analyzed qualitatively. Finally, in the part of quantitative analysis, the data of the first five years are insufficient.

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