ACCOR HOTELS

Feel Welcome

Group 5

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Background

- **Accor is a French multinational hospitality company that owns, manages and franchises hotels, resorts and vacation properties.**

- **It is the largest hospitality company in Europe, and the sixth largest hospitality company worldwide.**

- **Accor operates in 5,300 locations in over 110 countries.**

- **Accor addresses three market segments: the Luxury market (16%) , the midscale one (45%) and the economy/basic segment (39%).**

16%

45%

39%
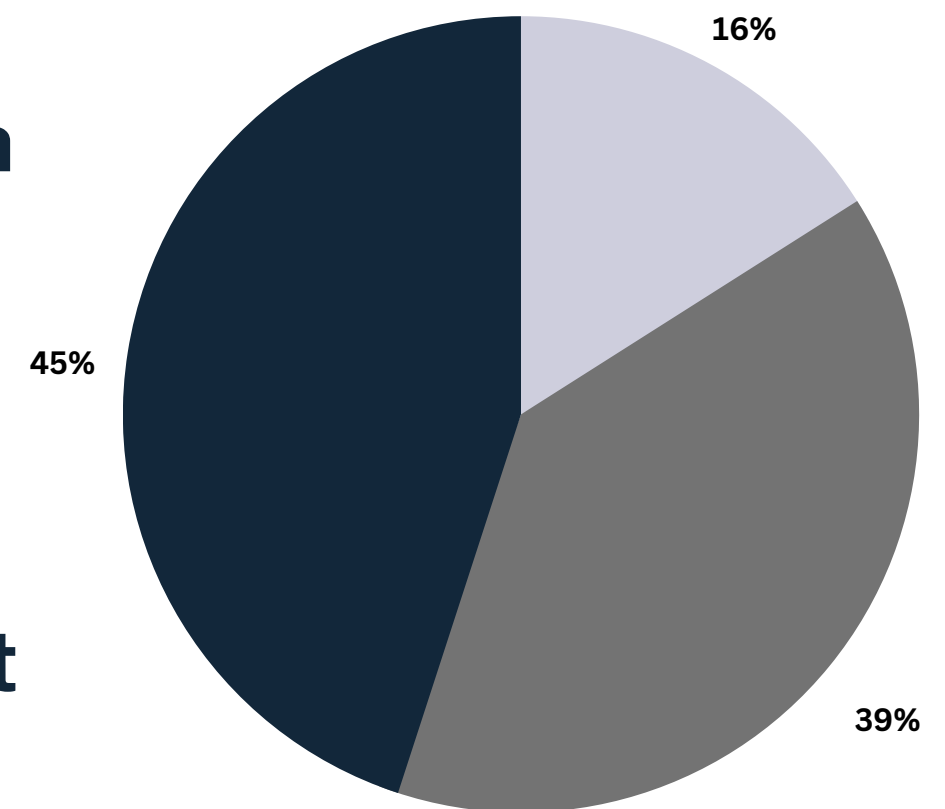
Background

- In Accor's full-year 2019 earnings presentation, Chairman/CEO announced that the company's "transformation" into an asset-light company was essentially complete with the adoption of asset light strategy(which means managing and operating hotels rather than owning or leasing them).

40+ / hotel brands

10,000+ / restaurants & bars

18,500+ / meeting rooms
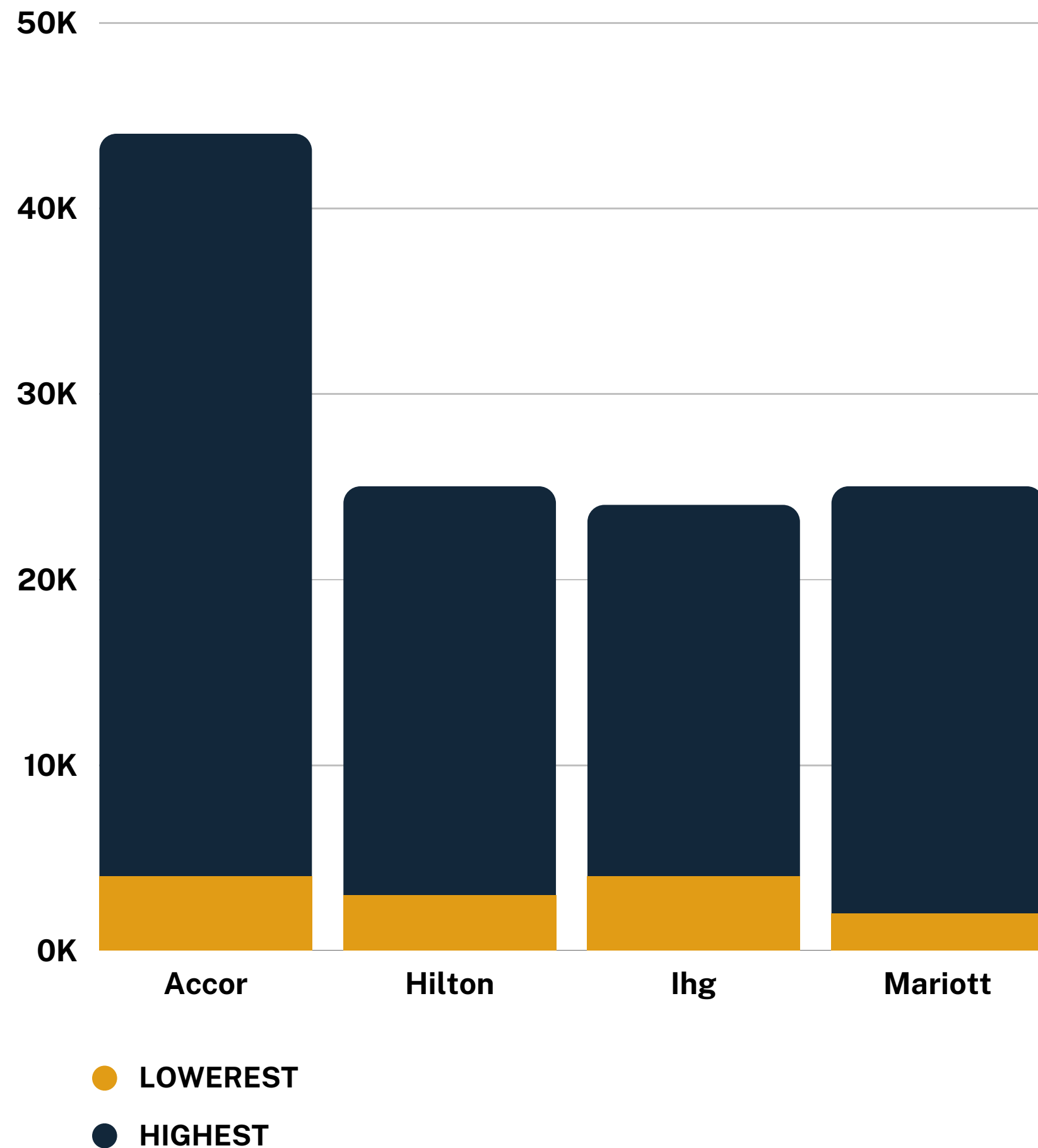
600+ / hotel spas

1,000 / hotels with fitness facilities

Net Zero / carbon emissions by 2050

84% / of hotels eliminated single-use plastic in the guest experience

700+ / hotels partnering with Too Good To Go

Source: https://group.accor.com/

Business Model

WHY OTA?

With increasing use of technology,
People rely on online bookings and find it more useful Lowering brand value.

On OTA, several hotels are seen just as hotels thus

lowering their brand value, legacy and brand awareness
no flexibility in reservations
no choice of room and higher prices.

Aim of Accor

Accor aims to increase and diversify their consumer base using OTA and capture new consumer and then keep them within their own brand system thus reducing commission fee for OTA and increasing brand loyality.

Roomkey

Roomkey is a platform that is like an OTA for showing the various partner hotels as options but directs the consumers from its website to the website of the hotel for booking ,thus increasing customer base as an OTA but without harming the brand value and fulfilling the exact need of accor

Marketing method of roomkey

Using pop below ads for exit traffic of partnering hotels

Cons of using roomkey:
- It doesn't do direct and SEM marketing.
- Pop up ads is not really an attractive method and not a good consumer experience.
- Partnering with Travelocity makes the customers go out of the loop of direct booking and making it just like other OTA experience Methods of partnership.

Types of Partnership

Commercial partnership:
Commission via ppc method but needs to register each property of hotel making it unweildy

Equity partnership:
High initial investment but includes all the properties at once and doesn't need to be included one by one

SWOT Analysis of Accor

S (Strengths)	W (Weaknesses)	O (Opportunities)	T (Threats)
• Powerful distribution platform and global presence • Shift to asset light operating system • Loyalty program and strategic partnerships	• Seasonality in room booking and poor forecasting • Lagging behind in online business • Focus on a range of target segment with same marketing strategy	• Providing innovative services to clients . Leveraging IT analytics to plan for cyclicity in the industry • Leveraging the rapid increase in internet penetration to increase social media presence	• Highly competitive market poses a demand for constant innovation • Shared services coming up in hotel industry • Health crisis to slowdown tourism

Digital aspect of promotion

Accor utilizes various digital promotion strategies to enhance its brand visibility and engage with its target audience.

01

Search Engine Marketing (SEM)

02

Social Media Marketing

03

Email Marketing

04

Influencer Marketing

05

Content Marketing

06

Website Optimization

Should Accor continue with OTA ?

Pros

- Increase visibility and reach
- Access to a diverse customer base
- Revenue generation
- Flexibility and dynamic pricing
- Have already bought a lot of significant keywords

Cons

- Commission Costs
- Direct Booking Promotion
- Brand Differentiation

YES! Accor should collaborate with OTA

SWOT Analysis of roomkey

S (Strengths)	W (Weaknesses)	O (Opportunities)	T (Threats)
• Strong industry partnerships • Customer value proposition • Growing user and conversion rate	• Dependency on partnerships • Limited equity partners • Low marketing efforts	• Enhanced user experience • Expanding partner network • Leveraging customer data	• Convenience by OTA • Market consolidation • Shift in Booking Behavior:

Should Accor continue with roomkey ?

No! Some of the reasons are:

- Ineffective business model
- Annoying pop up ad
- No proper SEO
- Limited partners
- Partner dependent
- Limited target audience already targeted by OTA

Hence, Accor should not collaborate with roomkey

What should roomkey do to be successful in long term?

01

Expand partner network

02

Enhance differentiation

03

Improve user experience

04

Utilize customer data

05

Embrace digital marketing

06

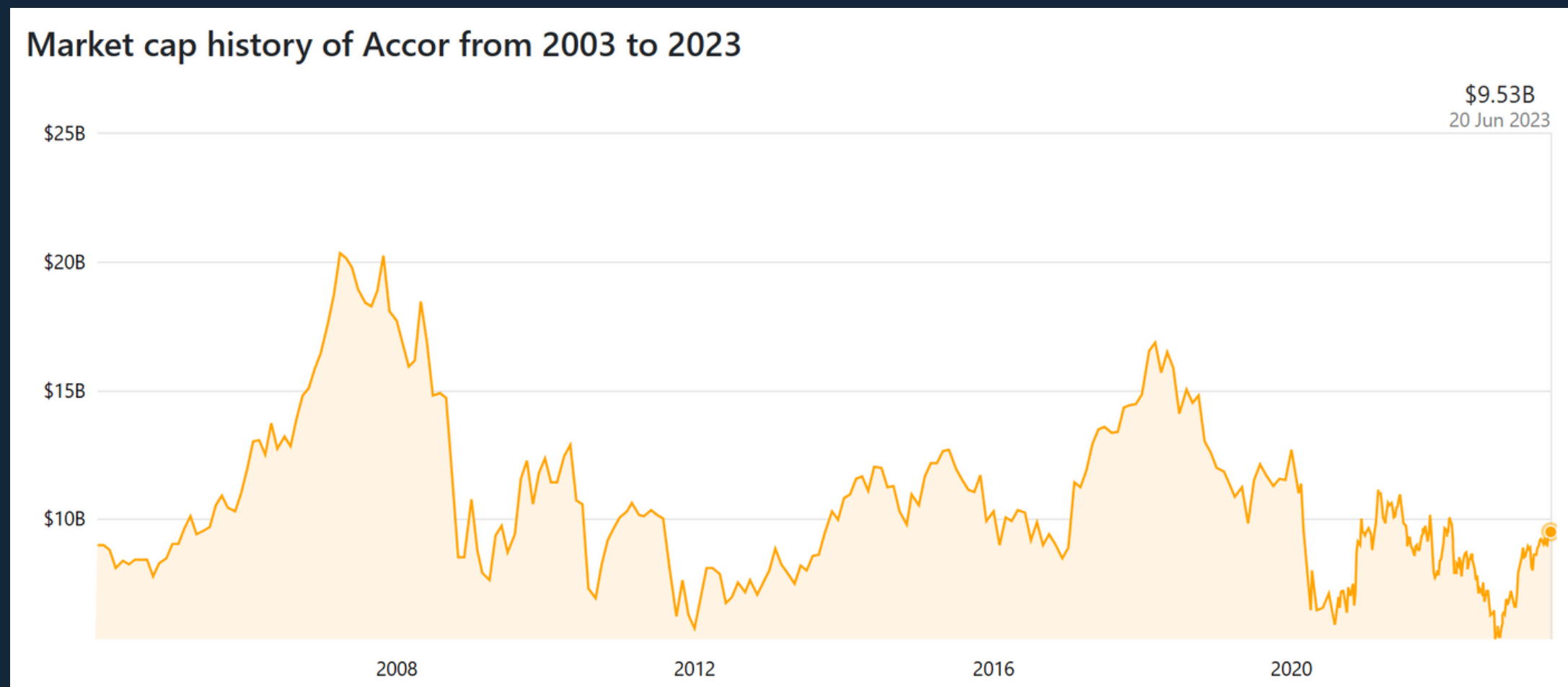Foster strong relationships with hotel partners

07

Stay updated with market trend

08

Maintain competitive pricing

Current state of Accor

- As of June 2023 Accor has a market cap of $9.32 Billion. This makes Accor the world's 1595th most valuable company by market cap according to our data.

- We are more than 290,000 hospitality experts placing people at the heart of what we do, creating emotion for our guests,

Market cap history of Accor from 2003 to 2023

$9.53B
20 Jun 2023

$25B

$20B

$15B

$10B

2008   2012   2016   2020

Source: https://companiesmarketcap.com/accor/marketcap/

Thanks