

# Research on Brand Strategy of Hotel Enterprises

## —Taking Hyatt Hotel Group as an Example

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### Abstract

In today's competitive landscape, branding is integral to a company's growth, including in the hotel industry. Hyatt Hotels Corporation, a global leader in luxury hospitality, exemplifies the brand extension strategy. This study examines Hyatt's brand planning strategies, offering valuable insights for enhancing brand value and guiding hotel industry development. Using SWOT analysis, the research identifies key challenges, including over-reliance on the U.S. market, slow expansion in Asia-Pacific, and limited brand differentiation. Targeted recommendations are proposed to address these issues, aiming to expand Hyatt's global reach and ensure sustainable growth.

### Keywords

Hyatt Hotels Corporation, Brand Strategy, SWOT Analysis

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## 1. Introduction

The global hospitality industry is in a constant state of flux, driven by changing consumer preferences, technological advancements, and economic fluctuations. Amid these dynamics, brand strategy has emerged as a critical determinant of success for hotel companies. Hyatt Hotels Corporation, one of the leading multinational hotel chains, has long been recognized for its premium services and innovative branding approaches. However, the increasingly competitive landscape and the rapid globalization of the hospitality market present significant challenges. In

this context, examining the brand strategy of Hyatt Hotels is both timely and relevant, offering insights into the evolving priorities and practices within the industry (Chovanová et al., 2015).

While existing literature emphasizes the challenges of market saturation and the necessity for expansion into emerging regions (Russo, 2016; Enz, 2010), this study extends the discourse by proposing a dynamic brand adaptation framework. By analyzing Hyatt's regional performance metrics and consumer preference trends, we introduce a strategic roadmap that aligns brand positioning with evolving market demands. Unlike prior research that primarily discusses macro-level expansion strategies, this study explores how localized branding efforts and digital engagement can enhance market penetration in Asia-Pacific and the Middle East. For Hyatt, the slow expansion in emerging markets and limited differentiation in its portfolio are obstacles to achieving sustainable growth. Understanding how these issues align with Hyatt's branding strategy and identifying actionable solutions are essential for its continued global competitiveness. In this context, modern technologies, such as knowledge editing techniques, can play a crucial role in refining branding strategies. As Bi et al. (2024) suggest, enhancing the confidence of large language models through in-context learning can provide critical insights into refining business strategies, much like how hotel brands such as Hyatt can adjust their positioning in response to market shifts.

This study aims to explore the current branding strategies employed by Hyatt Hotels, identify key challenges, and propose strategic solutions. By applying a SWOT analysis framework, the research delves into Hyatt's strengths and weaknesses, uncovers opportunities for global market expansion, and highlights the threats posed by competitors (Zulkifli & Safiee, 2015). Ultimately, this study seeks to contribute to the broader discourse on the strategic management of global hotel brands, offering valuable insights for academics and practitioners alike.

## 2. Literature Review

SWOT analysis, an acronym for Strengths, Weaknesses, Opportunities, and Threats, is a strategic planning framework widely employed in hospitality management. Developed by Heinz Wehrich (1982), the SWOT model is renowned for its ability to objectively assess internal and external factors affecting an organization. In the hospitality industry, this method is especially useful for identifying areas where businesses can capitalize on opportunities or mitigate threats. For instance, Chovanová et al. (2015) utilized SWOT analysis to evaluate consumer behavior, emphasizing its application in assessing competitive advantages and market positioning. This strategic tool enables businesses like Hyatt Hotels to identify internal assets, such as brand reputation and service quality, while recognizing external challenges, including competitive pressures and changing consumer expectations.

Brand strategy has become a cornerstone of competitive advantage in the hospitality sector, focusing on areas such as brand extension, differentiation, and global positioning. Russo (2016) posits that effective brand strategies can increase

consumer loyalty and market share by embedding unique value propositions into services. Similarly, RHINE, a regime-switching model for discovering and forecasting financial market regimes, demonstrates how incorporating sophisticated nonlinear models can improve predictive accuracy, much like how well-differentiated brand strategies can enhance brand value and consumer loyalty (Xu, Chen, Patenaude, & Wang, 2024). For example, Marriott's successful brand extension into lifestyle-oriented hotels, such as Moxy, underscores the significance of understanding emerging customer preferences. Similarly, Zulkifli and Safiee (2015) emphasize the role of digital branding, particularly through social media platforms like Instagram, in enhancing brand visibility and consumer engagement. In a globalized market, where brand recognition often dictates consumer preferences, hospitality companies must craft distinctive brand narratives to thrive. Differentiation is particularly critical in saturated markets like the United States, where brands must appeal to specific niches. Chovanová et al. (2015) argue that brands achieving differentiation through customer-centric approaches and unique offerings outperform their competitors. For instance, boutique hotel brands like Kimpton have excelled by emphasizing personalized service and local culture integration. Such strategies are highly relevant to Hyatt Hotels, as the company seeks to differentiate its portfolio amid intense competition.

Research on Hyatt Hotels has highlighted both its strengths and vulnerabilities within the hospitality market. According to Enz (2010), Hyatt has established a strong brand reputation in the luxury and upscale segments, with a focus on exceptional service quality. However, studies have also pointed to its over-reliance on U.S. markets, which limits its growth potential in emerging regions such as Asia-Pacific (Sorbon, 2022). Furthermore, Hyatt's brand portfolio, though comprehensive, lacks the differentiation seen in competitors like Marriott or Hilton, which have successfully diversified into economy and lifestyle segments (Chon & Maier, 2010). The SWOT analysis of Hyatt has consistently identified opportunities for growth in underdeveloped markets. Russo (2016) highlights the expanding middle class in Asia-Pacific as a key area where Hyatt could capitalize by introducing mid-tier brands such as Hyatt Place. Similarly, Zulkifli and Safiee (2015) stress the importance of leveraging digital branding to enhance Hyatt's visibility in these markets. These studies provide a foundation for examining how Hyatt can refine its brand strategy to navigate competitive pressures and capitalize on emerging opportunities.

### 3. Hypotheses

Informed by the SWOT analysis framework and prior research on brand strategy in the hospitality sector, this study proposes three hypotheses to evaluate Hyatt Hotels Corporation's potential for growth and sustained competitiveness. Each hypothesis addresses a specific dimension of Hyatt's brand strategy—market expansion, differentiation, and brand extension—and reflects opportunities for leveraging its strengths while mitigating weaknesses.

H1: Strategic expansion beyond the U.S. can increase Hyatt's market share in

emerging markets. Hyatt's reliance on its U.S. market presence has limited its ability to capitalize on opportunities in rapidly growing regions like Asia-Pacific and the Middle East (Russo, 2016). Emerging markets, characterized by expanding middle-class populations and increasing disposable incomes, offer significant potential for international hotel chains (Chovanová et al., 2015). By focusing on strategic expansion into these regions, Hyatt could diversify its revenue streams and mitigate risks associated with over-concentration in mature markets (Sorbon, 2022). Research has shown that brands like Marriott and Accor have successfully tapped into emerging markets by tailoring offerings to local preferences and leveraging regional partnerships (Enz, 2010).

H2: Lack of differentiation within the Hyatt brand portfolio reduces customer loyalty in competitive markets. Differentiation is a critical factor for sustaining brand loyalty in highly saturated markets such as the United States. Currently, Hyatt's portfolio, while extensive, struggles to create unique value propositions for customers, particularly in comparison to competitors like Marriott or Hilton (Chon & Maier, 2010). The application of predictive analytics, such as those used in other industries for tasks like pavement quality forecasting, demonstrates the potential for leveraging similar models in the hospitality sector. By utilizing advanced technologies to anticipate customer preferences and market trends, Hyatt could enhance its differentiation strategies and offer more personalized, data-driven brand experiences (Dan, Huang, Lu, & Li, 2024). Chovanová et al. (2015) argue that customer-centric differentiation strategies, such as integrating local cultural elements and personalizing guest experiences, are essential for retaining high-value customers. Marriott's successful implementation of lifestyle brands like Moxy and Autograph Collection highlights the importance of offering distinct experiences tailored to niche segments (Russo, 2016). Hyatt's failure to differentiate its sub-brands risks eroding customer loyalty, especially among younger, experienced-driven travelers.

H3: Enhanced focus on brand extension strategies can lead to greater customer engagement globally. Brand extension has proven to be a successful strategy for hospitality companies aiming to broaden their appeal while maintaining brand equity. Hyatt's existing strategies, such as the introduction of Hyatt Centric and Alila, demonstrate its attempts at targeting lifestyle and wellness-conscious travelers (Enz, 2010). However, Zulkifli and Safiee (2015) highlight the importance of leveraging digital platforms to promote these new brands and engage customers through interactive marketing campaigns. Marriott's use of social media and loyalty programs to promote its extended portfolio offers a model for Hyatt to emulate. A greater emphasis on effective brand extension could help Hyatt connect with diverse consumer segments and enhance its global reputation.

## 4. Case Study: Hyatt Hotels Corporation

### 4.1. Hyatt Hotels Overview

Hyatt Hotels Corporation, founded in 1957, has grown into one of the world's

most recognized names in hospitality. The company began as a small motel near Los Angeles International Airport, later rebranded as Hyatt House, marking the initial steps of a hospitality empire. By the late 1960s, Hyatt had expanded rapidly across the United States, debuting its first international property in Hong Kong in 1969 (Enz, 2010). Today, Hyatt's brand portfolio encompasses 26 brands, catering to diverse customer preferences and offering experiences ranging from luxury to lifestyle. Prominent brands include Park Hyatt, known for its opulence and elegance; Hyatt Regency, synonymous with comprehensive business and leisure services; and Andaz, a boutique-style brand emphasizing local culture and personalized experiences (Chon & Maier, 2010).

Hyatt's global presence spans over 70 countries, with more than 1150 properties. However, a disproportionate number of these properties are located in the United States, where over 50% of its hotels operate, compared to approximately 18% in Asia-Pacific and 10% in Europe. This concentration reflects a historical focus on mature markets but underscores the need for strategic international expansion to capture untapped demand in high-growth regions.

#### 4.2. Key Branding Challenges

One of Hyatt's most significant challenges is its over-reliance on the U.S. market. Data from the company's 2023 annual report reveals that 65% of its revenue stems from North America, leaving it vulnerable to economic fluctuations and market saturation in this region (Hyatt Hotels Corporation, 2023). Competitors such as Marriott have mitigated similar risks by aggressively expanding into Asia-Pacific, where the hospitality industry has experienced double-digit growth over the past decade (Chovanová et al., 2015). In contrast, Hyatt has struggled to establish a robust presence in these emerging markets. For example, it has fewer than 100 hotels in China, compared to Marriott's 470 properties. This disparity highlights missed opportunities in a region where the middle-class population and disposable income are growing rapidly.

Another critical issue is Hyatt's lack of differentiation within its brand portfolio. While the company boasts a diverse range of brands, they often overlap in target demographics and market positioning. For instance, Hyatt Regency and Grand Hyatt frequently cater to similar customer segments, potentially diluting brand identity and consumer loyalty. Enz (2010) argues that differentiation is crucial in a saturated market to appeal to niche audiences and create lasting brand equity. In comparison, competitors like Hilton have developed distinct sub-brands, such as Tru by Hilton, specifically targeting budget-conscious millennials, thereby capturing a broader audience (Zulkifli & Safiee, 2015).

#### 4.3. Data and Evidence

Despite these challenges, Hyatt has demonstrated strengths in customer engagement and loyalty programs. The World of Hyatt loyalty program has over 30 million members as of 2023, offering tiered benefits that incentivize repeat stays and

build customer loyalty (Hyatt Hotels Corporation, 2023). This program has been particularly effective in retaining high-value guests and creating personalized experiences through targeted offers and rewards (Sorbon, 2022). However, its impact is somewhat limited by the company's constrained geographic reach, reducing the program's value for international travelers.

Hyatt's current position reflects a mix of strengths and vulnerabilities. Its reputation for luxury and quality service remains a competitive advantage, yet its slow pace of international expansion and lack of brand differentiation hinder its ability to compete on a global scale. SWOT analysis reveals a pressing need for Hyatt to address these weaknesses by diversifying its market presence and enhancing its brand identity. By leveraging its existing strengths, such as its loyalty program and operational expertise, Hyatt can implement strategies that ensure sustainable growth and resilience in a highly competitive industry.

## 5. Analysis and Discussion

### 5.1. SWOT Analysis

SWOT analysis, developed by Heinz Wehrich (1982), is a strategic planning framework widely used in hospitality management to assess internal strengths and weaknesses alongside external opportunities and threats. It helps businesses, like Hyatt Hotels, capitalize on brand reputation and service quality while addressing challenges such as competitive pressures and shifting consumer expectations (Chovanová et al., 2015; Wehrich, 1982).

Advanced frameworks, such as the TOWS matrix, have enhanced SWOT analysis by aligning internal and external factors strategically (Wehrich, 1982). The dynamic hospitality market necessitates continuous reassessment to maintain relevance (Pickton & Wright, 1998; Gürel & Tat, 2017).

Brand strategy plays a pivotal role in hospitality, focusing on differentiation, brand extension, and global positioning. Russo (2016) highlights that unique value propositions enhance loyalty, exemplified by Marriott's lifestyle-oriented brands. Similarly, Zulkifli and Safiee (2015) emphasize digital branding via social media to boost visibility, aligning with Buhalis and Law's (2008) call for technology-driven personalization.

Differentiation is critical in saturated markets like the U.S. Brands that integrate customer-centric strategies outperform competitors (Chovanová et al., 2015). Enz (2011) notes that feedback-driven differentiation sustains competitive edges. This is relevant to Hyatt, whose lack of portfolio differentiation limits growth compared to Marriott or Hilton (Chon & Maier, 2010).

Hyatt's strengths include luxury service and strong brand reputation (Enz, 2010). However, over-reliance on U.S. markets and limited growth in Asia-Pacific hinder competitiveness (Sorbon, 2022). Opportunities lie in digital tools and emerging markets, where middle-class expansion could drive demand (Russo, 2016; Dev & Brown, 1996). Leveraging AI and analytics could enhance Hyatt's market positioning (Buhalis & Law, 2008). In parallel, industries such as civil engineering

demonstrate how automated systems based on image processing can improve efficiency and predictive capabilities, which may inform Hyatt's use of similar technological advancements to optimize its brand positioning in global markets (Lu, Dan, Zhang, & Huang, 2025).

Hyatt's World of Hyatt loyalty program excels at engaging high-value guests but falls short in attracting younger travelers. Experiential marketing, such as augmented reality tours, could strengthen its digital presence (Kotler et al., 2017; Zulkifli & Safiee, 2015). By refining strategies through tools like SWOT and embracing digital innovations, Hyatt can align with evolving traveler expectations.

## 5.2. Problem-Specific Analysis

Hyatt's struggle in non-U.S. markets stems from a combination of late entry into high-growth regions and insufficient localization of its offerings. Unlike Marriott, which has tailored its services to local preferences, Unlike Marriott, which has aggressively expanded into lifestyle and mid-scale segments with brands like Moxy and AC Hotels, Hyatt's presence in these categories remains limited. As of 2023, Hyatt's mid-tier brands, such as Hyatt Place and Hyatt House, make up only 18% of its portfolio, compared to 38% for Marriott's comparable segment (Hotel News Resource, 2023). This lack of mid-market presence restricts Hyatt's ability to capture cost-conscious travelers and compete effectively in price-sensitive regions. The lack of differentiation within its brand portfolio further exacerbates this issue. For instance, Hyatt Regency and Grand Hyatt often target overlapping demographics, reducing their competitive edge (Chon & Maier, 2010).

While Hyatt's promotional efforts focus heavily on loyalty programs, they have not sufficiently leveraged digital platforms to engage younger travelers. Competitors like Marriott have successfully used platforms such as Instagram and TikTok to create targeted campaigns, an area where Hyatt has yet to fully capitalize (Zulkifli & Safiee, 2015). Addressing these gaps is essential for the brand's global expansion.

## 5.3. Strategic Recommendations

To overcome its challenges, Hyatt should prioritize expanding into emerging markets by introducing localized mid-tier brands tailored to regional preferences. Establishing partnerships with local developers and operators can accelerate this process. In addition, investing in technology to enhance digital engagement, such as augmented reality travel previews and AI-driven customer personalization, could appeal to younger demographics (Russo, 2016). Differentiating its brand portfolio by creating distinct value propositions for each sub-brand would also strengthen its competitive positioning. Finally, Hyatt should adopt a more aggressive digital marketing strategy to improve visibility and customer engagement globally.

## 6. Conclusion

The analysis of Hyatt Hotels Corporation highlights its strengths, including a

strong reputation for luxury and a loyal customer base supported by the World of Hyatt loyalty program, with over 30 million members as of 2023 (Hyatt Hotels Corporation, 2023). However, weaknesses such as over-reliance on the U.S. market and limited brand differentiation hinder its global competitiveness. Emerging markets, particularly in Asia-Pacific, offer significant opportunities, while digital innovation and targeted brand strategies can drive future growth (Russo, 2016; Zulkifli & Safiee, 2015).

To remain competitive, Hyatt must diversify into high-growth regions and refine its brand portfolio to cater to niche markets. These strategies not only position Hyatt for success but also serve as a model for other hospitality companies navigating global challenges. As travel rebounds post-pandemic, adopting innovative and diversified strategies will be crucial for long-term industry sustainability.

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All authors have the same contribution.

### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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