

Analyze the Relationship Between the Corporation's Management Systems and Operation Capacity: A Case Study of Marriott Hotel and H World Hotel

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Abstract

This paper employs a case study to discuss the relationship between the management system and operation capability of Marriott International Hotel and H World. The study analyzes four key management areas: Operations Management, Customer Relationship Management, Human Resources Management, and Marketing Management. By comparing the management models and practices of the two hotel groups in four different fields, it is found that Marriott has outstanding performance in global operation and standardized Management. In contrast, H World has an advantage in the Chinese market through a flexible localization strategy and efficient customer relationship management. This paper further discusses how management strategies affect the operation ability of hotel groups, how to enhance the market competitiveness of enterprises through innovative management modes, and provides feasible suggestions for the management optimization of other enterprises in the hotel industry.

1. Introduction

In today's highly competitive hotel industry, the management system of an enterprise has an increasingly significant impact on its operational capability. Management systems are not only about the internal operations of a business but also directly affect customer experience, employee satisfaction, and financial performance. Marriott Hotels is known for its mature management system and efficient operations as the world's leading hotel management company. In contrast, as a rapidly developing local brand in China, H World Hotel is gradually establishing its unique management model and operational strategy to adapt to the rapid changes in the domestic market.

Marriott's success is due to its comprehensive and systematic management framework. First, Marriott has implemented a standardized service process to ensure every guest receives consistent, high-quality service worldwide. As described in Business Review (2013), Marriott was established concerning the chain and standardized operation experience accumulated in the catering industry to form a set of exclusive requirements from hardware to software, with a detailed division of responsibilities and division of labor. Second, Marriott has established a customer management system. According to the article "How to Evaluate Marriott's Customer Management," the company promotes customer loyalty through its Marriott Rewards program (flexible use of the points system), uses data analytics to provide personalized service, and uses an advanced CRM system to ensure customer data security.

H World Hotel adopts a more flexible and innovative management model to respond to market demand quickly and meet customers' needs. According to Yan (2014), an expert in socialization research, H World relies on digital intelligence to reduce costs and improve efficiency, which is reflected in the "zero second check-out" and "universal popularization of food delivery robots." H World will pay attention to users' needs, with highly humane details to impress people, reflected in the double-sided buckwheat pillow and intelligent home improvement system. In addition, the club has innovated in customer experience by launching a mobile app that makes it easy for customers to book, check in, and give feedback, enhancing customer satisfaction and loyalty.

The primary purpose of this study is to deeply analyze the characteristics of the management systems of Marriott Hotels and H World Hotels and their specific impacts on operational capabilities. By exploring the similarities and differences in the management system design of the two hotel brands, the study will focus on how they balance standardization with flexibility and analyze how this choice affects the efficiency of day-to-day operations and the customer experience. In addition, the study will assess the impact of different management models on financial performance, including revenue growth, cost control, and profit margins, and examine how hotels respond to market changes, especially in crisis management and innovative services. Through the case study of these two hotels, this study hopes to provide practical management advice to industry practitioners to help them fully understand the dynamic relationship between management systems and operational capabilities when developing and implementing management strategies.

2. Literature Review

2.1 Literature Review for Operation Management

Firstly, it is essential to delineate the concept of operations strategy. According to Kim and Arnold (1996), operations strategy effectively deploys a firm's resources to achieve its organizational objectives. In the study conducted by Espino-Rodríguez and Gil-Padilla (2015), the primary focus lies on the role of operations management in enhancing organizational competitiveness, explicitly emphasizing the improvement of overall organizational performance rather than individual factors. Espino-Rodríguez and Gil-Padilla (2015) categorize operations management into two distinct types: structural decisions and infrastructural decisions, examining how these decisions affect the performance of hotels. Moreover, their study introduces the concept of world-class operational hotels, defined as implementing exemplary practices in hotel policy management regarding structure and infrastructure, thus enabling these hotels to secure a competitive advantage. Espino-Rodríguez and Gil-Padilla (2015) conclude that operations decisions correlate more strongly with non-financial performance than financial performance.

According to Hou (2021), hotel operations management involves two interconnected

dimensions: operations strategy and managerial practices. Operations strategy focuses on external, market-facing activities, including comprehensive market analysis, precise target market positioning, product and service innovation, dynamic pricing strategies, and revenue management (Hou, 2021). The primary aim of these activities is to align hotel offerings with customer demands while fulfilling economic objectives. Conversely, managerial practices concentrate on internal processes, utilizing planning, organizing, monitoring, and controlling mechanisms to enhance resource allocation, operational efficiency, and profitability. These dimensions create a cohesive framework for achieving sustainable growth and delivering customer-centric value (Hou, 2021).

The optimization of hotel operations is structured around three pivotal elements. Hou (2021) stated that employee satisfaction is foundational, as a motivated workforce drives productivity, service excellence, and organizational stability. Employee engagement ensures the consistency and quality of guest experiences, making it a critical area of focus. Second, customer behavior analysis and dynamic pricing strategies are vital for understanding market trends and booking behaviors. These insights support the development of data-driven pricing models, optimizing RevPAR (Revenue Per Available Room) and maximizing financial performance (Hou, 2021). Third, business process optimization involves streamlining workflows, minimizing inefficiencies, and lowering operational costs (Hou, 2021). This enhances service delivery and contributes to the hotel's overall competitiveness.

Hou (2021) supposes that, by integrating these elements, hotel operations management improves customer satisfaction and profitability and is a strategic model for long-term success. This framework offers theoretical insights and practical applications, bridging academic research with actionable solutions in the hospitality industry (Hou, 2021).

2.2 Literature Review for Customer Relationship Management

According to Chen (2024), the role of customer relationship management (CRM) is clearly defined as assisting hotels in identifying different tiers of customers and providing personalized services to high-value clients, thereby enhancing customer loyalty. Chen employs various methodologies, including interviews and data analysis, to assess the impact of CRM on hotel performance (2024). Notably, the study highlights customer segmentation as the first step in CRM, providing valuable insights for our research.

Furthermore, Chen (2024) concludes that customer value is one of the core competencies of luxury hotels. In addition, customer value can enhance the brand image of luxury hotels and expand the potential customer market. Through Chen's study, we can recognize the significance of CRM in driving hotel performance. This understanding underscores the need for hotels to implement effective CRM strategies to foster stronger relationships with their clients, thereby improving customer satisfaction and securing a competitive edge in the luxury hospitality market. Overall, the findings emphasize the integral role that customer relationship management plays in achieving sustainable business success within the hotel industry.

With the rapid expansion of the global tourism industry, competition in the luxury hotel sector has become increasingly fierce. To maintain a competitive edge, luxury hotels must not only comprehend but also anticipate and fulfill the evolving needs of their clientele (Andreani & Sumargo, 2012). Customer value theory offers a valuable framework for luxury hotels to optimize customer experiences, improve service quality, enhance customer loyalty, and strengthen brand influence. This study focuses specifically on the case of JW Marriott Hotel Shenzhen, China. By conducting in-depth interviews with internal management personnel and analyzing historical data, this research examines customer relationship management (CRM) and the concept of customer

contribution value at JW Marriott Hotel Shenzhen (Andreani & Sumargo, 2012). The study aims to investigate the application of customer value theory in the luxury hotel segment and identify ways customer satisfaction can be elevated by delivering tailored experiences and unique value propositions. Through a detailed analysis of the luxury hotel industry's dynamics, this paper proposes strategic recommendations to assist JW Marriott Hotel Shenzhen in improving its competitive position. By leveraging CRM and focusing on customer-centric strategies, luxury hotels can meet and exceed customer expectations, leading to long-term loyalty and sustainable success (Andreani & Sumargo, 2012).

2.3 Literature review for Human resource management

Human resource management plays a key role in business operations, especially in the global and competitive hospitality industry (Wilton, 2022). The existing literature generally believes that human resource management not only affects the job satisfaction and loyalty of employees, but also is closely related to the overall operating efficiency and profit of the company (Suwaji, Muliyadi, & Kusuma, 2024). For example, JW Marriott Hotel has demonstrated the positive role of human resource management in improving the operational capability of enterprises through its diversified management structure and strategic human resource planning. In particular, Marriott's culture of diversity, including diversity of gender, ethnicity, and background, promotes innovative decision-making and more effective teamwork (Wesley, Jackson, Martínez Ramos, Vanbeber, & Mujtaba, 2024). However, although existing studies have demonstrated the impact of diversified governance structures on corporate decision-making, few studies have explored how to specifically measure the impact of human resource management systems on hotel operational capabilities.

H World's management mode focuses on efficiency and rapid market response, and its human resource management and recruitment strategies mainly focus on the local market, emphasizing rapid expansion and cost control H World. (n.d.). However, H World lacks a professional global recruitment platform, which may affect its competitiveness in the global market, especially the potential of talent diversity and internationalization strategy has not been fully realized. By comparing the governance structure and HR strategies of Marriott and H World, this study further explores how HRM affects global expansion and market adaptability in different cultural contexts.

This study fills this gap and explores in depth how the differences in human resource management between Marriott and H World affect their operational efficiency and profitability. Through a regression analysis of the proportion of independent directors and the proportion of female executives at both companies, the study reveals how these variables correlate with a hotel's operating margin, particularly with performance differences across cultural and strategic contexts. Although the study found no statistically significant relationship between the proportion of independent directors and the proportion of female executives and the operating profit margin, it provides a new perspective for understanding the actual role of diverse governance structures in the hotel industry and provides a theoretical basis for further discussion in this area.

2.4 Literature Review for Marketing Management

Marriott Hotels skillfully uses strategic marketing means through multi-stage market segmentation and accurately adapts to different customer groups. It integrates the segmentation of demographic, psychological, behavioral, geographic, and other dimensions, according to which marketing strategies can be flexibly adjusted to fit diverse customer preferences and behavioral habits and achieve extensive and efficient market coverage (Dibb & Simkin, 2007). Through the

full range of segments, Marriott can understand each market segment's nuances and implement precise policies.

For example, Ritz-Carlton uses psychological segmentation to target customers who pursue luxury goods and focus on high-end experience seekers (Nixon & Rieple, 2010). Marriott Resort clubs are geographically segmented, serving vacationers from all over the world. At the same time, the segmentation strategy also plays a key role in brand positioning and portfolio management. The Autograph Collection, AC Hotels by Marriott, and other brands are tailored to specific customer groups to enhance brand loyalty and deepen market penetration.

Marriott has a strong foothold in the global hospitality industry through a rich portfolio of brands and the ability to meet the diverse needs of its customers. At the same time, it strategically carries out brand extensions. It operates loyalty programs to attract new customers and retain existing customers, providing customers with exclusive customized experiences and improving customer loyalty and engagement (Aaker, 2012).

Overall, Marriott's strategic marketing management reflects market segmentation, brand positioning, and other aspects, enabling it to stand out in the highly competitive global hotel market, optimize resource allocation, and improve customer satisfaction and loyalty, laying a solid foundation for long-term development.

With the rapid development of China's economy hotel industry, H World, as the industry leader, has gradually become a research focus on its marketing strategy. H World has enhanced its competitiveness in the domestic market through a multi-brand strategy, digital transformation, and precise pricing and channel strategy.

H World's product marketing strategy meets different consumer needs through multiple brands, including high-end, economy, business, resort, and fashion hotels, fully reflecting its multi-brand strategy's advantages. The introduction of digital technologies such as "smart home" and "robot food delivery" has effectively improved customer experience, attracting a large number of technology enthusiasts and young consumers. At the same time, the member points system of the H World App enhances consumers' sense of participation and loyalty.

Secondly, precise discount strategies and social media campaigns have attracted many consumers, especially during the off-season, and increased the occupancy rate through online promotions.

However, H World also faces the challenge of homogenizing its services, and the impact of the pandemic requires it to optimize its risk management strategy. Therefore, H World needs to strengthen service differentiation and innovative marketing further to cope with the increasingly fierce market competition.

In sum, H World occupies an important position in China's economy hotel market through its unique marketing strategy. However, to maintain its leading position in the industry, it must constantly innovate and adapt to market changes.

This study fills the gap in the existing literature and systematically reveals the strengths, weaknesses, opportunities and threats of Marriott and Huazhu in the global and local markets through in-depth comparative analysis of Marriott and Huazhu by using SWOT analysis. In addition, this study will perfectly combine the Sustainable Development Goals (SDGs), analyze how the two hotels promote sustainable development, and further deepen the connection between the hotel industry marketing strategy and sustainable development, providing a new theoretical perspective.

3. Methodology and Procedures

3.1 Methodology for OM

This analysis analyzes the relationship between the average daily rate, revenue per room, and profit margin. Our group designed an Ordinary Least Squares (OLS) regression model, and we regarded the average daily rate and revenue per room as independent variables. The profit margin is regarded as a dependent variable. Our group uses Python to run the data.

In the operating management part, our group chose quantitative analysis and employed a regression model to explore the problem. In order to examine the impact of operating management on financial data, this paper aims to collect revenue per room and average daily rate and profit margin in each quarter from 2019 to 2024 from H World Group Limited and Marriott. Our group chose these ratios since revenue per room (RevPAR) and average daily rate (ADR) can be considered the ultimate indicators of operating management performance. Factors such as the efficiency of hotel operations, operational systems, and cost control ultimately manifest in these two metrics. These measures reflect the effectiveness of the hotel's operational processes and strategies in managing resources, optimizing service delivery, and controlling expenses. We drew on similar studies in the literature to determine that linear regression would be an appropriate method for our analysis (Liu et al.; T., 2015). These studies provided a solid foundation for employing linear regression to explore the relationship between operational variables. After that, using Python to create a regression model. To explore whether there is a correlation between operating management and financial data. Even better, the paper can generate a summary to determine whether there is a positive or negative correlation. The Ordinary Least Squares (OLS) regression model is the most suitable to implement the goal because it can explore the correlativity.

Our group collects data from the Bloomberg Terminal, choosing the average daily rate, revenue per room, and profit margin every quarter between 2019 to 2024 from Marriott and H World Group Limited (Bloomberg L.P., 2024). Finally, we got 23 observations about our dependent variables and independent variables. All of these data are shown in the appendix.

The regression model is structured as follows:

$$\text{Profit Margin} = \beta_0 + \beta_1 \times \text{revenue per room} + \beta_2 \times \text{average daily rate} + \epsilon$$

Where β_0 refers to when independent variables are equal to 0, what is the number of dependent variables, β_1 , and β_2 are the coefficients of the independent variables, and ϵ is the error term.

3.2 Methodology for CRM

This study aims to explore the impact of customer relationship management (CRM) on hotel operational performance, focusing on the different CRM implementation practices of Marriott and H World. Through regression analysis of customer feedback data and company financial data, evaluate the role of CRM in improving hotel customer satisfaction, loyalty and operational efficiency.

Customer relationship Management (CRM) is an important part of the hotel industry and directly affects a hotel's ability to attract and satisfy customers. Gede Juanamasta's (2004) research explores how effective customer relationship management (CRM) can promote customer loyalty and corporate image in operations. The company has strengthened customer relationships by identifying key customer groups and providing personalized service. A positive corporate image not only promotes marketing and sales but also increases customer trust, ensuring continued growth in a highly competitive market for the hotel industry. Therefore, our research will explore the Management of customer relationship management on enterprise performance and operation through the case of H world and Marriot.

With the number of users increasing on online review platforms and social media, customer

feedback has become a valuable resource for understanding hotel service conditions. This proposal explores the effectiveness of CRM strategies in hotel industry operations by focusing on customer analysis.

The following literature demonstrates the critical role of customer data analytics and visualization in enhancing customer relationship management (CRM) and evaluating hotel operational capabilities. Siew Theng Lai's (2004) article explores the use of sentiment analysis techniques to extract key information from online customer reviews, emotional classification of reviews through natural language processing and machine learning models (positive and negative neutral), identification of major customer concerns (such as price service quality) and business operations. Therefore, we will collect customer comments and scores from relevant websites, which can reflect customers' emotions after receiving hotel services. We will extract the operation situation of enterprises from these scores. Saito (2019) emphasized the importance of understanding customer retention through data analysis, including segmenting customer segments and quantifying the impact of customer behavior on repeat occupancy. It supports the collection of customer data and regression analysis to reveal the relationship between customer rating and loyalty to evaluate the operation and management ability of the hotel. Visualization Strategies and Tools For Enhancing Customer Relationship Management mentions that visualization tools, such as scatter plots and multi-dimensional presentations, can help enterprises better understand customer behavior and preferences to optimize customer relationship management.(Lai, Siew Theng, and Mafas Raheem, 2020). Based on the existing literature, especially the research of Siew Theng Lai (2004) on sentiment analysis, we decided to use customer rating and VIP customer number growth for regression analysis to extract the core factors affecting customer loyalty and satisfaction.

We Collect customer ratings from Xiecheng and similar platforms, covering aspects such as service, environment, and facilities. Segment reviews by dimensions (e.g., service, cleanliness, location) to capture key points about customer concerns (Table 1 and Table 2). Extract keywords from positive and negative reviews to understand the main factors leading to customer satisfaction or dissatisfaction. All ratings were recorded on a standardized scale of 1 to 5, and reviews were classified according to their dimension. At the same time, we further analyzed the high-frequency keywords in customer reviews to identify the main factors that customers care about, such as price, service quality and customer experience. This information helps to understand the drivers of customer satisfaction and loyalty.

Calculate the average rating and distribution for each hotel, analyzing whether ratings are clustered within a specific range to assess the stability of service quality.

Regression Analysis

$$Net\ Income = \beta_0 + \beta_1 \times (Rating) + \beta_2 \times (Number\ of\ Customers) + \varepsilon$$

This is our hypothesis.

We explore the impact of customer relationship management (CRM) on the operational performance and capability of two hotels. We will use the company's rating on the public website and the number of customers of the two companies as independent variables to represent the company's performance and measure the relationship with customers. At the same time, we will extract key financial data from the company's public disclosure and financial statements as dependent variables, representing the company's performance and operational capability. The regression analysis method was chosen to quantify the relationship between CRM and hotel business performance because of its ability to effectively reveal causal relationships between variables. In addition, by extracting the emotional tendencies in customer feedback through

sentiment analysis, we are able to deeply understand the specific reactions of customers to hotel services, thus providing theoretical support for further CRM optimization.

After collecting data, research Awards conducts correlation analysis, examining customer ratings and the relationship between membership numbers and financial performance to determine the role of CRM in improving operational efficiency. Build a regression model using financial information as dependent variables and customer ratings and keywords as independent variables to assess the impact of CRM on business outcomes. Finally, trend analysis analyzes trends in customer ratings and financial data to assess the long-term impact of CRM on operational results.

To explore the impact of customer relationship management on hotel operational performance, I collected data from ten hotels, each under the Marriott and H World, two prominent global and domestic hotel chains, respectively. This data focuses on customer satisfaction and service evaluation, which serve as proxies to measure the effectiveness of CRM practices. The following describes the data collection process in detail:

Customer ratings were sourced from publicly available review platforms Xiecheng, emphasizing four key aspects of hotel service quality:

Overall Rating: Reflecting the aggregate customer satisfaction score for the hotel.

Hygiene: Evaluating the cleanliness of hotel facilities.

Facilities: Assessing the condition and quality of amenities provided

Environment: Focusing on the atmosphere, design, and location convenience.

Service: Measuring customer perception of staff efficiency, attitude, and problem resolution.

Ratings were recorded on a standardized scale (1 to 5)

In addition to digital ratings, we also extracted frequent customer reviews from the reviews. To extract frequently mentioned keywords and topics related to customer experience, whether positive or negative. This step identifies key customer satisfaction or dissatisfaction areas and highlights potential CRM strengths and weaknesses.

The ten hotels under each chain were chosen based on geographic diversity, operational scale, and review data availability. Both high-end and mid-tier hotels were included to ensure the feasibility and objectivity of data analysis.

We collected comprises company-level financial data form Yahoo (Table 4:Marriott & Table 5: H world), including net income, Earnings Per Share (EPS), Return on Assets (ROA), and other key indicators reflecting operational efficiency and profitability.

We ultimately chose to use other data, such as Net Income rather than Net Revenue, as the dependent variable to measure the company's performance and operational capabilities. Net income more comprehensively reflects the company's profitability, deducts several expenses such as operating costs, taxes, depreciation, and interest, and can more comprehensively reflect the actual profitability of enterprises.

Alberico and Casaca's (2024) research shows that the importance of customer numbers in CRM research is that it directly affects the implementation effect of relationship marketing and corporate profitability. The core of a relationship is establishing, maintaining, and improving the long-term customer relationship. The number of customers reflects a company's market coverage and determines its marketing strategy's complexity and pertinence to a certain extent. Research has shown that CRM improves business profitability by increasing customer satisfaction, trust and loyalty, enhancing customer retention.

The loyalty Program participation rate is represented by the number of members of the two brands. We collected the number of VIP members of the two hotels over the past five years. Analyzing the number of loyalty program members of two hotels in the past five years can greatly

help customer relationship management. First, the number of customers can reflect the trend of customer loyalty. Observing the trend over the past five years can help hotels evaluate the situation of customer retention. If the number of VIP members increases or decreases significantly over a certain period, you can analyze if there is a problem with the CRM activity.

We use membership as one of our independent variables (Table 3). Because it is directly related to customer relationship management results, customer satisfaction can be measured and highly matched with CRM goals. A horizontal comparison between the two hotels can identify whether each hotel management strategy is more effective for CRM.

3.3 Methodology for HRM

When studying how Human Resource Management affects the operating capability of Marriott and H World, this study adopts a quantitative method. This paper mainly explores the relationship between the percentage of female executives and independent directors and the company's operating margin through a linear regression model. The data was drawn from Bloomberg LABS 'public financial report, and ESG reports for the two companies over the past five years. The statistical software SPSS was used to analyze the data for five years, including data cleaning, conversion, and outlier processing. Data presentation is used to deeply explore the impact of Human Resource Management on the operating capability of the two companies. Dependent variable: Operating margin measures a company's operating efficiency and profitability. Independent variable: Percentage of Independent directors: Percentage of total board seats held by independent directors. Female Executive Ratio: This represents the percentage of female executives in the total number of senior executives.

$$\begin{aligned} \text{Operating Margin} = & \beta_0 + \beta_1 \times (\text{Percentage of Independent Directors}) \\ & + \beta_2 \times (\text{Percentage of Female Executives}) + \varepsilon \end{aligned}$$

t-test was carried out on the coefficients in the model to evaluate whether the coefficients of each variable were statistically significant, and R² was used to evaluate the overall explanatory ability of the model.

Our group collects data from the Bloomberg Terminal, selecting the percentage of independent directors and the percentage of female executives between 2019 to 2023 from Marriott and H World Group Limited (Bloomberg L.P., 2024). All of these data are shown in the appendix.

3.4 Methodology——MM

Tashkent State University of Economics (2016) published an article titled “The Significance of SWOT Analysis in Marketing Planning,” which argued that decreasing risks and uncertainty is the primary goal of corporations. SWOT models help link markets, customers, and competitors with all elements of the marketing environment. So, analyzing market management using the SWOT model is an attainable goal. SWOT analyzes strengths, weaknesses, opportunities, and threats in an industry. It is a great tool to compare two companies in the same industry. The part aims to identify competitive strengths and weaknesses in operations and markets while exploring potential opportunities and threats in Marriot and H World Group Limitation.

4. Results and Discussion

4.1 Analysis: Operation Management

4.1.1 Analysis for OM: Result

For H World Group Limited, as shown in note Table 6 in the appendix, the R-squared is 0.978,

which means that the model explains 97.8% of the variability in the profit margin, indicating a firm fit. Moreover, the Adjusted R-squared is 0.976, which means that after adjusting for the number of predictors, 97.6% of the variability is explained, suggesting minimal overfitting. In addition, our group can also analyze the F-statistic is 446.3, and the p-value is $2.56e-17$; our group can know that at least one factor significantly affects the profit margin.

About coefficients, the Intercept is -0.1548, which indicates a baseline negative profit margin when predictors are zero. The coefficient of revenue per room is -0.0016, which suggests that the relationship between revenue per room and net profit margin is a negative and statistically significant correlation. Besides, the average daily rate coefficient is 0.0053, suggesting that the relation between the average daily rate and profit margin is a positive correlation.

For Marriott, as shown in note Table 7 in the appendix, the R-squared is 0.988, which means that the model explains 98.8% of the variability in the profit margin, indicating a firm fit. After that, we adjusted the R-squared and got the number 0.986. The number means that 98.6% of the variability is explained, indicating that this model is hardly overfitting. Furthermore, the F-statistic is 796.6, and the p-value is $8.53e-20$. Both numbers can explain that the model is statistically significant, meaning at least one of the independent variables significantly impacts the profit margin.

For Marriott, the Intercept is -0.0605, which claims a baseline negative profit margin when the independent variables are zero. The coefficient is 0.0004, indicating that the revenue per room slightly increases the profit margin, and this relationship is statistically significant. The coefficient of the average daily rate is 0.0013, suggesting that a higher average daily rate can slightly increase the profit margin, and this relationship is highly significant.

Due to the high correlation between RevPAR (Revenue Per Available Room) and ADR (Average et al.), our team has taken measures to address this multicollinearity issue. By imputing missing data and expanding the sample size, we aim to mitigate the potential effects of collinearity. This approach ensures a more robust dataset, improving regression analysis reliability and enhancing our findings' overall validity.

4.1.2 Analysis for OM: Findings

After the data analysis, our group can conclude that the revenue per room and average daily rate will impact the profit margin in both hotels. This means that the operation management can influence the financial ratios. This Conclusion is consistent with a 2015 study by Espino-Rodriguez and Gil-Padilla. Moreover, the relationship between the average daily rate and profit margin is positively correlated in both hotels. Therefore, if a hotel wants to increase its profit margin, it can increase its room prices. However, there is a difference between the H World Group Limited and Marriott about the ratio: revenue per room. The higher revenue per room for H World Group Limited leads to a lower profit margin. To explain the phenomenon, our group speculates that the higher revenue per room may cause higher operation costs, such as employees' salaries, since the hotel wants to provide higher quality services. Therefore, the net profit margin fell as a result. For Marriott, the relationship between revenue per room and profit margin is a positive correlation. Marriott may have a better cost control system to make sure that if the hotel wants to get higher revenue per room, Marriott can control operation costs.

Marriott International and Huazhu Group, as global leaders in the hospitality industry, have implemented robust operation management strategies that align closely with the United Nations' Sustainable Development Goals (SDGs). In terms of sustainable operations, both hotels are committed to environmental protection by promoting energy-efficient technologies and smart energy management systems. They strive to minimize waste and emissions while emphasizing

resource recycling and reuse. Regarding innovative technology, both hotels actively adopt artificial intelligence to optimize operational efficiency and enhance customer satisfaction. These efforts demonstrate their dedication to integrating sustainability into their business models while leveraging advanced technology to meet both environmental and customer service goals. Through these initiatives, they not only reduce their ecological footprint but also strengthen their competitive position in the hospitality industry.

4.2 Analysis: Customer Relationship Management

4.2.1 Analysis for CRM: Result

The "Table 1.1 Regression Analysis of Hotel Customer Ratings and Membership Numbers on Net Income--Marriott" table presents regression results with variables including a constant, rating, and number of customers. For the constant, the coefficient is 24473472.276 with a standard error of 7604328.008, a T value of -3.218, a significance level of 0.084, and a 95% confidence interval ranging from 57192254.937 to 8245310.384. For the rating variable, the coefficient is 5471591.604 with a standard error of 2103101.157, a T value of 2.602, a significance level of 0.121, and a 95% confidence interval ranging from -3577322.332 to 14520505.539. The number of customers variable has a coefficient of 0.008, a standard error of 0.012, a T value of 0.679, a significance level of 0.567, and a 95% confidence interval between -0.045 and 0.062. The R-squared value for the model is 0.967.

Table 1.1: Regression Analysis of Hotel Customer Ratings and Membership Numbers on Net Income--Marriott

Variable	Coefficient	Standard error	T value	Significance	The 95.0% confidence interval of the coefficient		R ²
					Lower limit	Upper limit	
Constant	24473472.276	7604328.008	-3.218	0.084	57192254.937	8245310.384	0.967
Rating	5471591.604	2103101.157	2.602	0.121	-3577322.332	14520505.539	
Number of customers	0.008	0.012	0.679	0.567	-0.045	0.062	

Dependent variable: net income

Source: Yahoo Finance

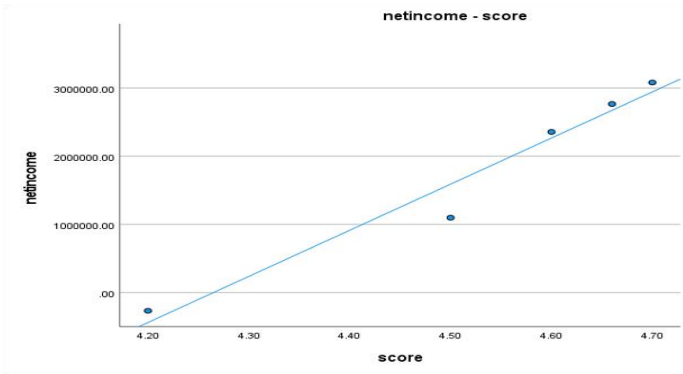


Figure 1.1: Relationship Between Hotel Customer Ratings and Net Income—Marriott

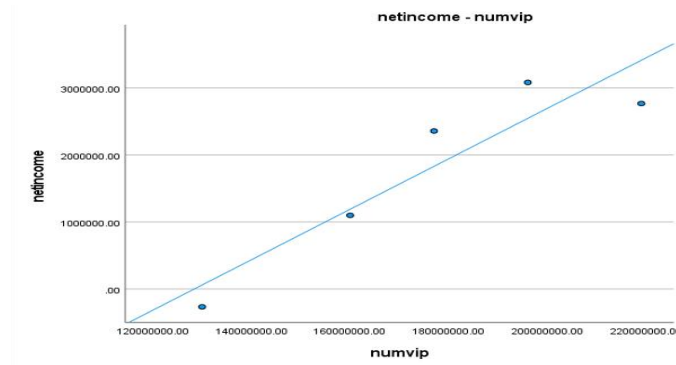


Figure 1.2: Relationship Between Membership Numbers and Net Income--Marriott

Table 2.1: Regression Analysis of Hotel Customer Ratings and Membership Numbers on Net Income--H World

Coefficient	Standard error	T-value	Significance	The 95.0% confidence interval of the coefficient		R ²
				Lower limit	Upper limit	
-31724691.73	3202033.41	-9.908	0.010	-45501929.55	-17947453.90	0.987
7337618.494	1215548.69	6.036	0.026	2107534.565	12567702.42	
0.001	0.014	0.064	0.955	-0.059	0.061	

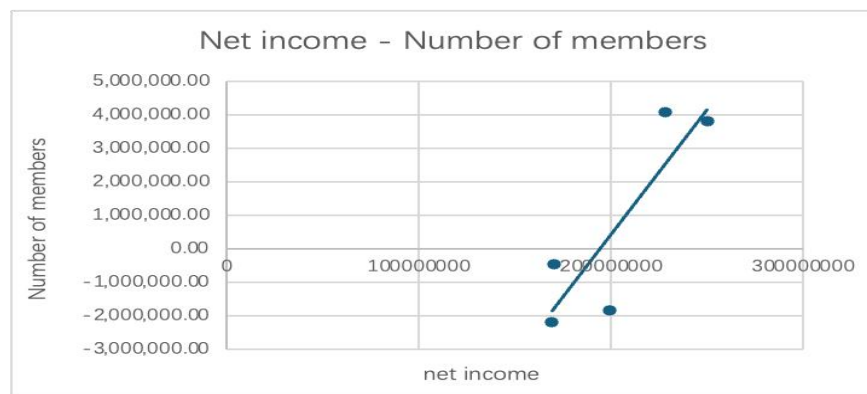


Figure 2.1: Relationship Between Membership Numbers and Net Income--H World



Figure 2.2: Between Hotel Customer Ratings and Net Income--H World

The "Table 2.1 Regression Analysis of Hotel Customer Ratings and Membership Numbers on Net Income--H World" The first variable has a coefficient of -31724691.731, a standard error of 3202033.417, a t-value of -9.908, a significance level of 0.010, and a 95% confidence interval ranging from -45501929.553 to -17947453.908. The second variable has a coefficient of 7337618.494, a standard error of 1215548.699, a t-value of 6.036, a significance level of 0.026, and a 95% confidence interval ranging from 2107534.565 to 12567702.423. The third variable has a coefficient of 0.001, a standard error of 0.014, a t-value of 0.064, a significance level of 0.955, and a 95% confidence interval ranging from -0.059 to 0.061. The R-squared value of the model is 0.987.

4.2.2 Analysis for CRM: Findings

Our 10 hotels selected by H World and Marriott have consistently maintained high ratings, with scores above 4.5. Hotels with high overall scores also received high scores in other areas such as equipment, quality of service and hygiene. This result demonstrates that both H World and Marriott have demonstrated strong customer relationship management that help maintain stable and high levels of customer satisfaction.

According to the Marriott Case (n.d.), Marriott leverages its CRM system to enhance the customer experience through data collection and analysis of guest feedback. The company tracks guest interactions to provide personalized service and improve products. Marriott has integrated Medallia's platform to gather real-time guest insights to continuously improve service across more than 7,000 hotels worldwide.

Data regression analysis supports the hypothesis that there is a significant positive correlation between customer satisfaction and business performance in the hotel industry. Given that the hotel industry relies heavily on customer relationships, customer relationship management plays a vital role in delivering service. Through systematic data collection, CRM enables hotels to provide personalized guest experiences, foster customer loyalty, and increase repeat business. In addition, CRM promotes customer engagement, improves marketing precision, and optimizes the sales cycle. Ultimately, the adoption of CRM can drive long-term profitability and operational efficiency, which is critical in a highly competitive hospitality market (Isha, 2022).

Both H World and Marriott show a strong link between high hotel ratings and financial performance. Regression analysis further shows that hotels with higher customer ratings generate significantly more revenue than hotels with lower ratings. In addition, data from hotel members show that higher user engagement correlates with stronger financial performance. Hotels with highly rated and active member bases enjoy better customer retention and operational efficiency, highlighting the direct impact of CRM on profitability.

The study also highlights the need to integrate customer relationship management practices with sustainability strategies in the hotel industry. By leveraging data-driven insights and guest feedback, hotels can improve service efficiency, reduce resource waste, and create long-term value for businesses and customers. In addition, automated systems can help businesses improve operational resilience and guest satisfaction. Combining customer relationship management with innovation focused on sustainability helps hotels build a balanced business model that increases profitability while ensuring environmental responsibility and social welfare. These strategic advances position hotels as key contributors to the sustainable development of the global tourism and hotel industry.

4.3 Analysis: Human Resource Management

4.3.1 Analysis for HRM: Results

The regression coefficient of the proportion of independent directors is 0.194, the T-value is 0.406, and the P-value is 0.697. Although the coefficient is not apparent, it is positive, indicating that this indicator positively correlates with the operating profit rate. The regression coefficient of the proportion of female executives is 0.132, the T-value is 1.284, and the P-value is 0.24. Although this result also does not reach the traditional level of statistical significance, its coefficient is positive, suggesting that the increase in the proportion of female executives is positively correlated with the improvement of operating profit margin.

Table 3.1: Regression Analysis of Board Composition on Operating Margin--Marriott

Variable	Coefficient	Standard error	T	Significance	The 95.0% confidence interval of the coefficient		R ²
					Lower limit	Upper limit	
(Constant)	-8.232	35.965	-0.229	0.825	-93.276	76.812	
The proportion of independent directors	0.194	0.478	0.406	0.697	-0.936	1.324	0.21
Proportion of Female Executives	0.132	0.103	1.284	0.24	-0.111	0.374	

Dependent variable: Operating margin

Source: Bloomberg Labs

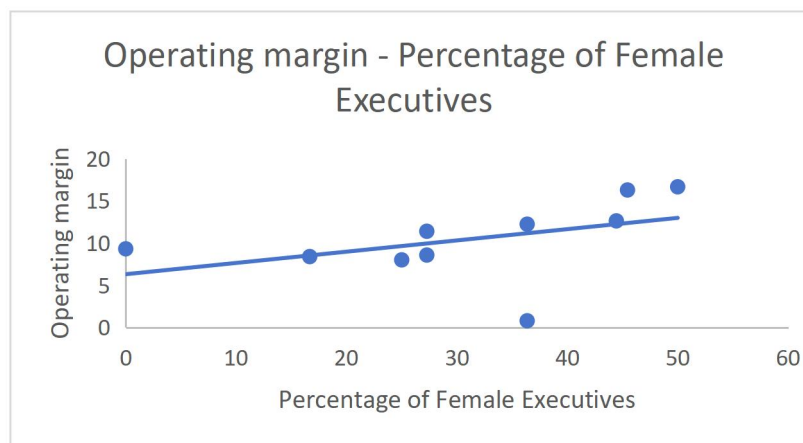


Figure 3.1: Relationship Between the Percentage of Female Executives and Operating Margin--Marriott

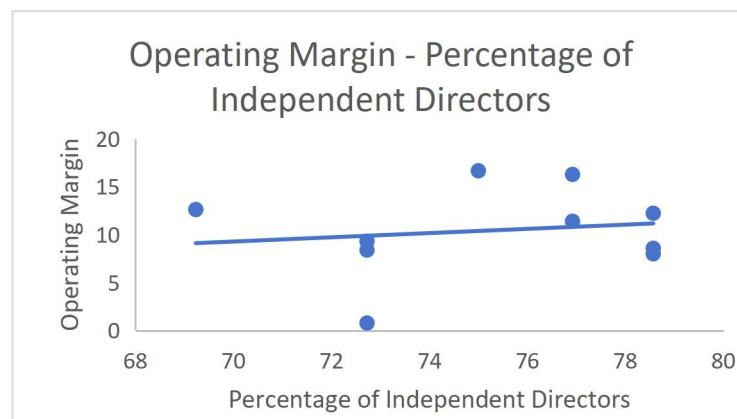


Figure 3.2: Relationship Between the Percentage of Independent Directors and Operating Margin--Marriott

The regression coefficient of the proportion of independent directors is -0.363, the T-value is -1.307, and the P-value is 0.233. Although the coefficient is negative, it is not statistically significant, suggesting no clear correlation exists between an increase in the proportion of independent directors and an improvement in operating margins. The regression coefficient of the proportion of female executives is 0.023, the T-value is 0.084, and the P-value is 0.935. Although the coefficient is negative, it is not statistically significant, suggesting no clear correlation exists between an increase in the proportion of female executives and an improvement in operating margins.

Table 4.1: Regression Analysis of Board Composition on Operating Margin--H World

Variable	Coefficient	Standard error	T	Significance	The 95.0% confidence interval of the coefficient		R ²
					Lower limit	Upper limit	
(Constant)	29.623	16.919	1.751	0.123	-10.383	69.63	0.2
The proportion of independent directors	-0.363	0.278	-1.307	0.233	-1.02	0.294	
The proportion of female executives	0.023	0.277	0.084	0.935	-0.632	0.679	

Dependent variable: operating margin

Source: Bloomberg Labs

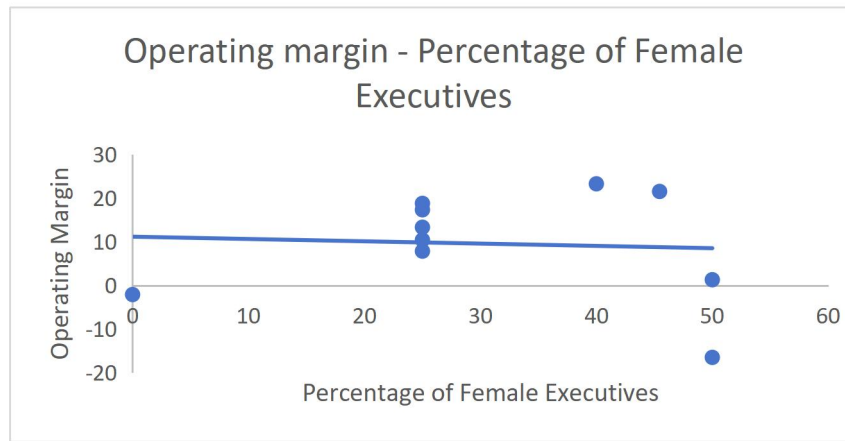


Figure 4.1: Relationship Between the Percentage of Female Executives and Operating Margin--H World

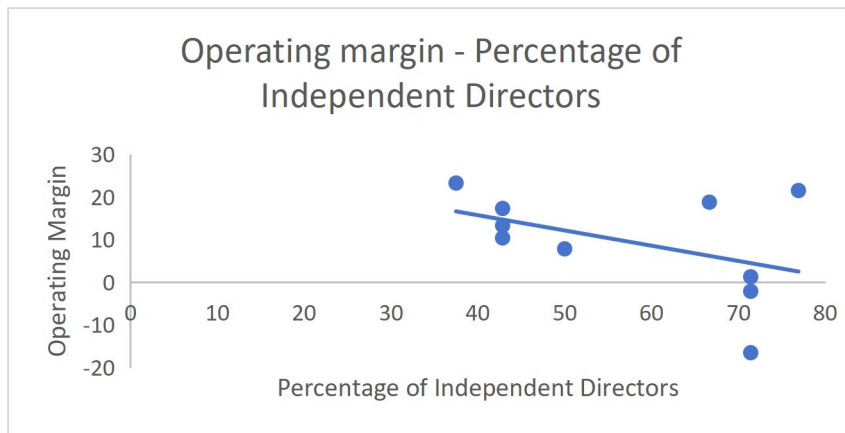


Figure 4.2: Relationship Between the Percentage of Independent Directors and Operating Margin--H World

4.3.2. Analysis for HRM: Findings

Marriott detailed its governance structure in its *Governance Principles - November 2023 Edition*, emphasizing diversity and inclusion in human resources. According to the document, Marriott promotes diversity in the board's composition through its Corporate Governance Committee (NCGC), including gender, race, background and experience, to ensure a broad vision and an innovative governance structure. The diversified governance structure has brought a series of positive effects to Marriott, which also explains why the proportion of independent directors and female executives positively correlates with the company's profits.

Diversity in governance structures enhances comprehensiveness and innovation in decision-making (Kanadlich et al., 2018). By ensuring that board members from diverse gender, ethnic, and professional backgrounds have access to a broader range of experiences and opinions, Marriott can make holistic, more profound, and more effective decisions in the face of complex decisions. The increase in the proportion of independent directors can improve the transparency and independence of corporate decision-making. Independent directors can assess the company's strategy and risks more objectively without creating direct business conflicts of interest. In addition, including female executives brings a new management philosophy and leadership style to Marriott, which will increase employee satisfaction and improve the efficiency of team collaboration. According to (Dezso and Ross, 2012), a higher proportion of women in senior

leaders can enrich the behavior of corporate managers and improve corporate performance and income. It can be seen that the enhancement of gender diversity has improved Marriott's business performance.

According to H World Sustainability Report 2021, female employees account for 61% of the total workforce, which indicates that corporate governance has achieved some results in terms of gender diversity. H World has adopted the principles of diversity and independence in its governance structure. However, the practical impact of these governance strategies is limited by the company's culture and strategic positioning. The positive effect of independent directors and female executives could not effectively translate into increased corporate profits but showed a negative or no significant correlation (The details will be analyzed in the next chapter).

Marriott emphasizes a culture of diversity and inclusion, focusing on building a supportive and open work environment (Wesley et al., 2024). Diversity and inclusion are at the core of Marriott's corporate culture, which fosters a broad innovation and global outlook. Marriott values the integration of diverse backgrounds and experiences, and this cultural environment encourages the active participation of female executives and independent directors in key decisions, thereby effectively enhancing the company's strategic decisions and market adaptability, which help drive the company's profitability. H World's culture emphasizes efficiency and cost control, emphasizing rapid market response and expansion. In this corporate culture, even with female executives and independent directors, they may not be able to play an important role in the actual decision-making process, thus affecting their positive impact on the company's profitability.

Regarding corporate strategy, Marriott focuses on global expansion, with a multi-brand layout, close to different market needs, and strictly adheres to the bottom line of high-quality service. In order to adapt to the complexity of the global market, Marriott has to embrace the creativity of diverse talents around the world, thereby reaping a competitive advantage, increasing market share, and steadily increasing profitability. In contrast, H World focuses on market penetration and rapid expansion, and exploiting the Chinese market is the key. The strategy pursues standardized operation and maximizes cost efficiency but ignores the diversity and independence of the governance structure to some extent. Too much emphasis on efficiency will quickly lead to the absence of long-term strategic planning and insufficient ability to respond to the market, making it challenging to release the value of independent directors and female executives, ultimately affecting the company's profit growth.

To sum up, the corporate culture and strategy differences between Marriott International and H World significantly impact the correlation between their independent directors, female executives and corporate profits. Marriott's diverse culture and globalization strategy effectively leveraged its diverse governance structure's strengths. In contrast, H World's pragmatic culture and rapid expansion strategy may have limited the effectiveness of these governance roles, which shaped the different performances of the two companies.

By studying the official websites of Marriott and H World, we can find that Marriott has an official recruitment website while H World does not. This shows the fundamental differences between the companies' human resource management and recruitment strategies. Through its professional recruitment platform, Marriott has demonstrated its importance in attracting and maintaining international talent in its global operations. It reflects Marriott's open and inclusive corporate culture and its strategic need to seek diversity and innovation in the global market. By studying its official website, Marriott launched "Voyage Plan," an elite management training program designed for college graduates. College students will participate in the operation and Management of hotels, accumulate real practical experience, build the necessary skills and knowledge of hotel services, and help college students who have just entered the workplace

quickly adapt to the workplace. This helps Marriott attract and retain talent and maintain high customer service and operational efficiency standards worldwide. This specialized recruitment approach helps Marriott screen candidates with high-quality and diverse backgrounds, enhancing the company's competitiveness and market adaptability.

On the contrary, H World's lack of a dedicated recruitment website may indicate that its HR strategy is more focused on the local market, focusing on quick and cost-efficient recruitment methods. While helping China Live expand rapidly in the Chinese market, this strategy may need to improve its ability to attract and retain diverse talent in the global talent pool. The need for a dedicated recruitment platform also reflects that H World prioritizes operational efficiency in corporate resource allocation rather than long-term talent development and constructing a diversified governance structure.

This demonstrates the different business focus and strategy execution of the two companies from the perspective of human resources management, which may further affect the diversity of corporate governance at the top, including the proportion of independent directors and female executives, and thus have a long-term impact on the overall performance and profits of the company.

In addition, a comparison of H World and Marriott's job ads shows that Marriott's ads detail the responsibilities of employees and emphasize creating unique and memorable experiences for customers, which reflects its high standards of service quality and greater focus on creating a good customer experience. In contrast, H World emphasizes compensation and career development, and its descriptions of service quality and specific responsibilities are less detailed and professional than those of Marriott hotels, which may not be enough to provide job seekers with the same level of career expectations and satisfaction. At the same time, Marriott communicates its brand values and service commitment more clearly in its recruitment strategy. It may be more effective in attracting professionals interested in high service standards.

As a result, Marriott's recruitment strategy and high human resource management standards contribute to its competitiveness in the global market, especially by attracting and retaining high-quality management personnel to drive the company's profitability and growth, including independent directors and female executives. This efficient and diverse team structure enhances Marriott's corporate governance and market adaptability, positively impacting earnings. However, H World's relatively simplified recruitment strategy may limit its ability to attract professionals with an international outlook and high service level, which to some extent affects the diversity and innovation of the company's top governance, which is one of the reasons for the difference in earnings performance between H World and Marriott. This difference ultimately shows up in the relationship between independent directors, female executives, and profits, which explains why these relationships are negatively or not significantly correlated in H World.

According to the analysis results, the differences in human resource management between Marriott and H World not only affect their operational efficiency and profitability, but are also closely related to the Sustainable Development Goals (SDGS). The SDGS emphasize comprehensive and balanced economic, social and environmental development, especially in areas such as "promoting gender equality" (SDG 5) and "Enterprise innovation and infrastructure development" (SDG 9), where corporate governance structures and human resource management play a crucial role.

By promoting gender diversity and the proportion of independent directors in its governance structure, Marriott is not only in line with the global Sustainable Development Goal of Advancing Gender Equality and Strengthening Leadership (SDG 5), but is also enhancing its market competitiveness and resilience through decision-making mechanisms that promote innovation and

diversity. In line with the goals of SDG 9, Marriott drives innovation in the global marketplace through effective corporate governance, an optimized team structure and diverse perspectives. Its culture of diversity and inclusion also lays the foundation for long-term sustainability - diverse teams are better able to respond to the needs of a rapidly changing global market. H World's governance structure and human resource management play a more limited role than Marriott in promoting gender diversity and board independence. This phenomenon reflects that despite Huazhu's high operational efficiency, its strategy of over-focusing on cost control and rapid market expansion may in some respects neglect the long-term sustainable development of the enterprise. Despite the fact that 61% of Huazhu's employees are women, the diversity of its governance structure has not adequately translated into improved profitability and has not effectively supported innovation and market adaptability, which has affected the company's performance in achieving its sustainable Development Goals.

In summary, the differences in human resource management and governance structures between Marriott and H World not only affect their operational performance, but also, from a broader perspective, their performance in achieving the United Nations Sustainable Development Goals. In particular, differences in gender equality, innovation and corporate governance provide important insights into how companies can advance sustainable development through more inclusive and innovative governance structures.

4.4 Analysis: Market Management

4.4.1. SWOT of Marriot

Marriot has a strong global brand influence. According to 2023 official data from Marriot, Marriott's industry-leading global system includes nearly 8,800 hotels and more than 1,597,000 rooms in 139 countries and territories. While H World Limited showed financial results in the Second quarter of 2024, it operates 10,286 hotels in 18 countries, and 98,68 percent of hotels are distributed in China. It shows that Marriott has geographic advantages because of its distribution in many areas. Operating income can reflect brand influence to a certain extent.

On the one hand, global brand influence affects consumers' preferences and will increase sales. On the other hand, stable operating income inflow shows the brand's competitiveness. Figure 1 shows an operating income comparison from 2020 till now. Although Marriot experiences an operating income decrease, its operating income remains solid compared with H World.

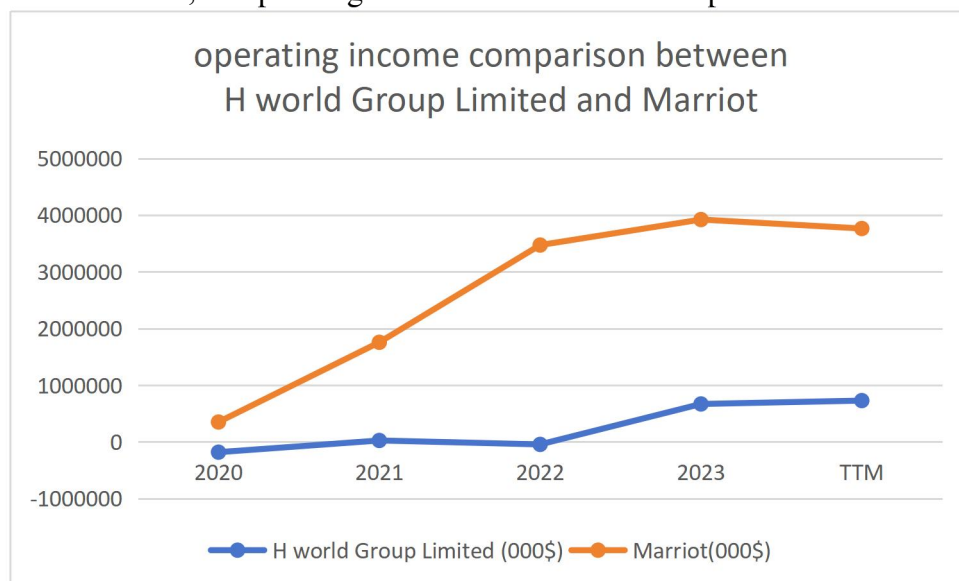


Figure 5.1: Operating Income Comparison Between H World Group Limited and Marriot (Data from Yahoo Finance)

Besides, Marriott has high customer stickiness. Marriott provides an energetic, expanded loyalty program. Marriott integrated Marriott Rewards, Ritz-Carlton Rewards, and Starwood Preferred Guests into a unified plan. It realized three platforms' points exchange. The points can be earned by hotel stays, spending with a Marriott credit card, purchasing Marriott promotions, spending with Marriott car rental partners, and spending at select Marriott restaurants and stores. The points can be used in diverse ways. Marriott Member points can be used for hotel fee waivers, extended stays, gifts (including airline trips, hotel upgrades, mileage cards, etc.), and exceptional food and sports events. Compared with Marriott's loyalty program, the point system of H World could be better, and members cannot accumulate points quickly due to brand positioning. Among them, the imperfect points system is reflected in that the points cannot be fully utilized due to the limitation of the validity period, the insufficient and unstable frequency of the promotional activities of H World, and the points cannot be converted into each other in the hotels of H World. Brand positioning makes it impossible for members to be upgraded in the short term to enjoy higher benefits. Marriott's loyalty program has a sound system that makes customers stick to it.

Marriott's product positioning is more high-end, limiting some customer segments. Brodowicz (2024) argued that Marriott's target group is consumers who want to spend more money to enjoy high-quality hotel accommodations. Although Marriott has a series of products to cater to different consumer groups, it is still aimed at the middle and upper-income groups. All Seasons Hotel, for example, the Ritz-Carlton, targets consumers looking for first-class service and exceptional quality. Marriott Hotels provides Super 8 and Moxy Hotels for low-end consumer groups, but this is far less than H World's wide range of choices, such as Hanting Hotel and all-season hotels. In addition, Marriott's low-end hotel products and essential services are relatively basic, needing more value-added services H World provides, such as complimentary breakfast and gym. In addition, due to standardized operations, Marriott's low-end products are limited by the global unified brand standards and cannot flexibly adapt to local needs.

Marriott, meanwhile, is too dependent on the North American market. According to an article by Lenihan (2023) published in Yahoo Finance, two-thirds of Marriott's rooms are located in North America, and this heavy reliance on a single geographic market will be limited by regional economic changes and limit the development of emerging markets. Although most of H World's geographical distribution is located in China, as an emerging brand founded in 2005, it still has much potential to grow. As Fang (2020) pointed out, the company has actively expanded its overseas hotels, including opening its first overseas leased and operated hotel in Singapore, entering the Japanese market, and acquiring Deutsche Hospitality, Germany's largest hotel group. Although the internationalization of Marriott is much higher than that of H World, the relatively mature business layout also depends on the North American market. These measures have innovative development for the immature H World, but similar measures only affect Marriott hotels slightly.

Marriott implemented several measures to seize the opportunity. According to an article published in Research and Markets (2024), Marriott is leveraging new technologies, including augmented reality, artificial intelligence, Internet of Things (IoT), cloud computing, big data, and more, to achieve operational efficiencies and enhance the customer experience. Augmented reality technology can help customers experience immersive experiences, including AR, to show hotel facilities and layouts. AI recommends personalized recommendations based on customer reservation history. Internet of Things technology enables Marriott hotels to communicate with each other, for example, customers can use voice control of air conditioning and lighting facilities. Cloud computing and big data help Marriott with system integration and customer segmentation.

Furthermore, Marriott became a data-driven organization with the Snowflake data platform. Snowflake helps Marriott manage the market through centralized data management, analysis, and customer insight. Snowflake helps Marriott centralize customer data from different sources, which helps break down information asymmetries and helps Marriott better respond to market needs. In addition, Snowflake supports Marriott's real-time data analysis to help Marriott understand the data in the first place. Access to broad and fast data helps Marriott better

understand customer needs and provide personalization and marketing strategies.

Marriott's main threats come from declining customer trust, including the Starwood data security incident and Marriott's geographic mistakes in China. The Starwood data security incident has exposed Marriott to legal and regulatory threats. In 2016, Marriott's Starwood hotels were hacked, affecting the personal information of about 500 million customers. Customer trust in Marriott hotels has been damaged, and Marriott has been subject to multiple lawsuits and investigations. Marriott was investigated by Shanghai authorities in 2018 for issuing questionnaires 2018 that listed Taiwan, Tibet, and other Chinese regions as independent countries. This incident caused a massive response in the Chinese region. Moreover, some people in China received a boycott, which caused Marriott to lose the Chinese market to a certain extent.

4.4.2 SWOT of H World

H World is very focused on localization and provides flexible marketing strategies. In terms of service, H World implements localized services in different regions, such as preparing sugarcane for Chinese customers in Harbin during the tourist season. Regarding design solutions, H World also provides tailor-made solutions based on the local conditions. H World set the goal of "a thousand cities and ten thousand stores" in 2019 and utilized local environment and geographical conditions for layout. For example, H World opened hotels along National Highway 318. It is worth mentioning that H World actively cooperates with various departments, including enterprises and tourism bureaus. H World opened a hotel in southeastern Tibet, helping tourists in Motuo County to have a good tourism experience while also strengthening the economic development of Motuo County.

H World's brand influence is too weak compared with Marriott hotels. Much of H World's success has been based on the Chinese market. H World's entry into the international market has excellent obstacles, including the pressure of strategic transformation, which requires a lot of research and development investment. This is a limiting factor for China. In addition, as an emerging brand, H World has far less international experience than Marriott. Marriott has extensive market entry experience in different countries, including joint ventures, franchises, and direct operations. It can select the most appropriate entry method according to the market characteristics and legal environment. However, H World must wait to understand individual market needs deeply. In addition, as H World comes from a local brand, its current operation relies on Chinese culture, and it has lost its cultural sensitivity to a certain extent. It still needs time to adjust its marketing strategy, which will affect its market management.

However, the strong local characteristics of H World have become an obstacle to developing the international market to a certain extent. However, the Chinese characteristics of H World are the brand's unique feature, distinguishing it from international hotels such as Marriott. In addition, due to the population base of China, the Chinese consumer group targeted by the club is significant. The advantage of providing local services makes the Chinese customer base stickier. Moreover, China's tourism market has developed due to the rapid growth of China's middle class and the economic recovery after the epidemic. It is an excellent opportunity for China to live. At the same time, according to the article "lodging giant navigates global headwinds," the US travel and leisure market is experiencing a downturn. This has become a development opportunity for H World.

Part of the threat to the H World comes from competition within China. The market is not static. In China's tourism industry, many local brands have emerged, such as Home Inns and Jinjiang Star, which compete with H World in price and service with flexible market strategies. On the other hand, the H World competition comes from internationally. In the face of the distribution expansion of international hotels, Marriott and other internationally influential brands have attracted many high-end customers. H World needs to be very careful about the quality of standardized services and compliance requirements of international standards required by customers.

4.4.3. Analysis for Market Management: Results

Firstly, the strength of Marriott lies in its strong global brand recognition, which is reflected in its distribution in multiple countries around the world and its stable positive operating income in the past five years. Moreover, Marriott's customer loyalty is high. This is because its loyalty program has a well-developed membership points system that allows members to accumulate points in different hotels in the company in an integrated information system. The loyalty program also provides members with a wide range of ways to earn points and a wide range of ways to use them. Secondly, Marriott's weakness is that its hotels are more targeted towards the middle to high-end consumer group, and it has lost a part of the low-end consumer group.

Furthermore, Marriott hotels depend on the North American market, and their revenue is easily affected by the North American market. As for the opportunity, Marriott can use augmented reality, artificial intelligence, Internet of Things (IoT), cloud computing, big data, etc., tools to help customers have a better experience and give them better recommendations. It is worth mentioning that Snowflake helps Marriott obtain data from a broader range of sources and respond more quickly to market demand.

The strength of H World lies in its focus on localization and greater flexibility, which includes providing localized services, designing hotels according to local conditions, and closely connecting with local tourism. For weaknesses, H World's global brand influence is lower and needs more experience entering the international market. This is reflected in the need for more experience entering other countries' markets and an insufficient understanding of local cultural regulations. Moreover, H World's further development in the international market to compensate for these deficiencies is limited by its lack of funding. For opportunities, H World has a very high level of Chinese features, which can be distinguished from international standardized operation hotels such as Marriott. Moreover, China's tourism industry has been more prosperous since the recovery from the epidemic, and H World, as a Chinese local brand, has strong market competitiveness. In addition, H World's threats come from two aspects.

On the one hand, domestic hotels are constantly emerging, threatening H World with their low-priced and convenient services. On the other hand, the influence of international hotels makes H World face tremendous competition pressure. H World's flexible operation may have different standards, making expanding into the international market difficult.

Whatever Marriott or H world, they have shown a tight link with the sustainable development goals in marketing management. Marriott has a wide influence, and operation management focuses on economic increases and industrial improvements. As a famous worldwide brand, it provides numerous employment opportunities in different areas. It means that Marriott promotes the world economy. Besides, Marriott's standardization character promotes a multi-cultural mixture. For continuous operation, Marriott should consider different cultures. Not only does Marriott indicate SDGs, but H world also contributes. H World provides flexible service and focuses on local areas. H World drives some traveling wonders and prosperity, which can be seen in decent jobs, industry, innovation, and infrastructure. Besides, the localization and flexibility reveal "sustainable cities and communities" and "responsible consumption and production".

5. Discussion

Operations Management:

We conducted a case study using H World and Marriott as our research subjects to investigate whether operation management impacts the financial performance of hotels. To achieve this objective, our group applied linear regression, with Revenue Per Room (RevPAR) and Average Daily Rate (ADR) as independent variables and Profit Margin as the dependent variable, to explore the relationship between these factors. The conclusion drawn from our analysis is that operation management indeed affects financial data. This suggests that for a hotel to improve its profit margin, it must consider operation management and how optimizing operational processes can enhance the profit margin while also taking into account the specific circumstances of the hotel.

Managers who want to enhance their financial performance can switch their operation management. For example, a hotel can optimize its check-in and check-out process to improve customer satisfaction and attract new consumers. In summary, in hotel management, the practical significance of operation management to financial performance is to achieve the dual goals of revenue growth and cost control by optimizing resource utilization and improving service efficiency and customer experience. Through dynamic room rate adjustments to increase occupancy and average room rates, refined food and beverage management to reduce waste, intelligent energy management to reduce energy costs, and enhanced customer relationship management to increase return rates and brand value, hotels can improve profitability and enhance market competitiveness while improving operational efficiency. This refined Management not only brings direct financial benefits but also ensures the long-term sustainable development of the business.

Customer Relationship Management:

This study explores the important role of customer relationship management (CRM) in the hotel industry. It reveals the positive impact of CRM on business performance and customer loyalty through case studies of Marriott Hotels and H World Group. Using customer ratings and number of VIP members as independent variables, our results show that hotels with high customer satisfaction ratings and increasing members perform better in profitability and operational performance. We can get insight into hotels' operational strengths and weaknesses through the data analysis of customer feedback on social platforms. The regression analysis results show a significant positive correlation between customer rating, the number of VIP members, and corporate financial performance. Alberico and Casaca (2024) emphasize that in the case of a large number of customers, enterprises can more effectively meet customer needs through market segmentation and customized services, optimize resource allocation, and design targeted customer retention plans to create long-term value for enterprises. Based on these findings, managers are suggested to increase their focus on CRM, including personalized service, customizing specific services for different customer segments, monitoring long-term customer satisfaction trends, and focusing on repeat customer numbers. Managers also can understand customer preferences. Through these methods, the hotel can enhance customer trust, establish a positive brand image, and achieve sustainable growth in a competitive market.

Human Resources Management:

Regarding human resource management, the study shows that the proportion of independent directors and the proportion of female senior executives of Marriott International is positively correlated with the company's profitability. In contrast, the proportion of H World is negatively or not significantly correlated. These results are consistent with our original hypothesis that diversity and inclusion in corporate governance can enhance a company's market adaptability and ability to innovate, thereby increasing profitability. This result is in line with the research of Dezso & Ross (2012), which found that the increase in the proportion of women in the top management team of enterprises is one of the reasons for the performance improvement of enterprises. However, this study further reveals the influence of corporate culture and recruitment policies on this relationship. There are also some limitations in this study. The data mainly rely on public financial data and company reports, and the lack of direct observation of internal decision-making processes and cultural atmosphere may limit the general applicability of the results. Future studies will cover more companies and go as deep as possible into the company to improve the broad applicability and depth of the findings. Given the existing research results, we can further explore the impact of corporate governance diversification on corporate performance under different corporate cultures and its future performance in the market environment. In addition, it is also possible to further study how enterprises can effectively overcome the challenges of culture and market, and further optimize the internal governance structure of enterprises.

Marketing Management:

Regarding market management, Marriott and H World will demonstrate different strategic

thinking and execution capabilities. Marriott, a globally renowned brand, provides standardized products and utilizes data integration systems to collect market information. However, standardized services do not have unique advantages in competing with other globally renowned brands, reflected in the dependence on the North American market and insufficient market segmentation limiting further expansion. H World provides flexible products tailored to local markets and deeply understands them, giving it a competitive advantage in the domestic market. This also helps H World provide different products and services in international competition. At the same time, H World still needs to overcome problems of inexperience and cultural adaptation in the international market.

Marriott's standardized service helps Marriott build its global brand influence, but it should learn the flexible strategy of H World in the increasingly saturated international hotel market. In response to the weak tourism market in Europe and the United States, on the one hand, it should provide flexible services based on standardization, such as regional cuisine services. On the other hand, it should improve its low-end products to attract more market share. H World's flexible operation has helped it achieve high visibility in China. This also helps provide diversified hotel products in the international market. However, flexible services need more standardized services to some extent, and they need to gain experience in international market competition. H World should strengthen its exploration of the international market and improve its standardization to some extent.

This study profoundly analyzes the similarities and differences between Marriott and H World Group Limited under different strategies from four dimensions of operation: customer management, human resources, and market management. The operation management section reveals the difference between room revenue and average room rate on profit margin. The customer relationship management section confirms the relationship between customer satisfaction and performance between Marriott and H world. Human Resource Management delves into the impact of corporate culture and strategy on governance structures and profits. The market management section analyzes the advantages of the two hotels in terms of brand, market dependence, and localization strategy in detail. This comprehensive and in-depth comparison provides a comprehensive perspective for the hotel industry to understand the practical application effects of standardized and flexible hotel management modes, fills the gap of previous studies, provides a more accurate basis for hotel managers to formulate strategies, and inspires further research directions, such as how to optimize the combination of management strategies under different cultural and market backgrounds.

6. Conclusion and Suggestion

In Conclusion, with the competition in the hotel industry, enterprises' operation management ability significantly impacts their operational ability. The management system is not only the internal operation of the enterprise but also directly affects customer satisfaction, employee satisfaction, and financial performance. Through our research, we analyze the characteristics of the Marriott Hotel and H World hotel management system from four aspects: operation management (OM), customer relationship management (CRM), human resource management (HRM), and marketing management (MM). We concluded that these systems directly impact operational efficiency and financial performance. From an operations management perspective, Marriott's strong cost control system supports consistent positive correlations, while H World's higher revenue sometimes leads to higher operating costs and lower margins. This contrast highlights the impact of a company's strategy and business priorities on financial results. From the perspective of customer relationship management, regression analysis further proves a significant positive correlation between customer satisfaction and hotel performance. Regarding human resource management, Marriott has demonstrated clear advantages with its global recruitment strategy and structured talent development programs attracting diverse talent and fostering innovation. On the other hand, H World's locally focused, cost-effective HR strategy supported its rapid domestic expansion but limited its ability to compete globally or build a

diversified governance structure. This difference in HR strategies reflects each company's business focus and has a long-term impact on corporate governance and operational performance. For marketing management, H World leverages localization and flexibility to dominate the Chinese market, while Marriott relies on global brand recognition and standardized excellence for international success. By comparing these two hotels, this proposal provides valuable insights for managers seeking to optimize management strategies in the hotel industry.

Marriott and H World are leaders in the global hospitality industry whose operations management, customer relationship management, human resource management and marketing management strategies are closely aligned with the United Nations Sustainable Development Goals (SDGs), and their actions demonstrate their commitment to a sustainable business model. Marriott promotes gender equality and innovation by enhancing a culture of diversity and inclusion, emphasizing high-quality services and global expansion. H World focuses on localization and cost-effectiveness, driving the development of local markets. The practices of the two companies not only enhance their market competitiveness, but also demonstrate how the hospitality industry is playing an important driving role in the global tourism and hospitality industry by integrating sustainable development strategies and balancing economic growth with social and environmental responsibility.

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Appendix

Table 1

Marriott-RevPAR	U.S. & Canada Full Service	U.S. & Canada Limited-Service	International
Q1 2019	139.49	90.87	106.24
Q2 2019	—	—	112.26
Q3 2019	149.14	106.57	115.68
Q4 2019	141.60	91.64	111.15
Q1 2020	112.46	73.85	71.80
Q2 2020	13.27	26.46	15.56
Q3 2020	32.60	36.23	37.09
Q4 2020	36.10	41.96	41.95
Q1 2021	47.50	49.52	38.51
Q2 2021	81.05	74.56	49.94
Q3 2021	122.18	93.06	68.32
Q4 2021	101.70	75.98	77.92
Q1 2022	143.78	92.15	102.61
Q2 2022	160.25	110.59	90.91
Q3 2022	150.91	112.93	101.37
Q4 2022	180.03	110.64	103.00
Q1 2023	186.91	114.84	108.80
Q2 2023	166.16	117.94	119.21
Q3 2023	184.04	156.84	120.43
Q4 2023	183.74	115.39	119.68
Q1 2024	188.09	116.51	122.00
Q2 2024	171.82	121.99	121.14
Q3 2024	189.19	128.40	120.81

Table 2

Marriott-ADR	U.S. & Canada Full Service	U.S. & Canada Limited-Service	International
Q1 2019	199.27	131.87	158.23
Q2 2019	—	—	158.21
Q3 2019	193.77	137.02	157.83
Q4 2019	199.63	131.5	155.01
Q1 2020	201.32	129	155.77
Q2 2020	140.76	99.63	96.27
Q3 2020	150.54	103.8	122.06
Q4 2020	153.91	97.3	122.68
Q1 2021	170.52	99.65	127.65
Q2 2021	185.07	118.1	134.07
Q3 2021	197.9	133.81	147.63
Q4 2021	209.89	129.5	149.1
Q1 2022	273.55	153.08	153.85
Q2 2022	231.22	148.28	163.23
Q3 2022	225.2	144.75	161.76
Q4 2022	277.24	165.86	166.75
Q1 2023	283.7	172.87	170.39
Q2 2023	233.29	156.71	174.91
Q3 2023	260.4	223.58	171.85
Q4 2023	279.23	174	173.08
Q1 2024	284.86	176.93	174.24
Q2 2024	280.87	181.96	173.8
Q3 2024	267.5	177.23	170.92

Table 3

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
H Group-Profit Margin	7.48	4.37	7.32	5.19	0.66	-15.98	4.44	-7.55	-0.48	13.4	5.58	10.53	8.98	12.7	11.86	11.36	13.48	11.95	12.69	13.91	9.44	11.99	9.34
H Group-Profit Margin	4.44	21.44	14.11	21.27	-106.06	-28.06	-6.71	22.89	-10.66	10.54	-3.89	-13.7	-23.5	-10.35	-17.52	-3.35	22.1	18.35	21.26	13.3	12.49	17.36	-

Table 4

H Group-ADR	Huazhu	DH	Huazhu	DH	Huazhu	DH
Q1 2019	258	104	221	95	211	83
Q2 2019	281	108	236	100	225	89
Q3 2019	288	100	245	98	235	94
Q4 2019	277	108	232	97	223	85
Q1 2020	211	96.8	189	89.3	184	79.5
Q2 2020	205	82.4	185	86.5	181	96.5
Q3 2020	255	88	218	93	211	101
Q4 2020	272	78	231	76	224	73
Q1 2021	243	77.9	209	68.5	203	59
Q2 2021	311	85.2	255	81.5	246	77.9
Q3 2021	296	94	246	99	238	104
Q4 2021	286	95	239	94	232	93
Q1 2022	263	90	224	88	218	85.5
Q2 2022	243	112.6	218	110.4	215	106.7
Q3 2022	294	112.9	254	113.9	248	115.6
Q4 2022	279	114	240	122	236	134
Q1 2023	337	108	277	104	269	97
Q2 2023	384	119	305	117	295	112
Q3 2023	406	113	324	114	314	116
Q4 2023	356	118	284	115	276	111
Q1 2024	346	110	280	104	272	95
Q2 2024	375	124	296	120	288	112

Table 5

H Group-RevPAR	Huazhu	Huazhu	Huazhu	DH	DH	DH
Q1 2019	216.00	178.00	169.00	67.00	59.00	49.00
Q2 2019	252.00	206.00	194.00	81.00	71.00	59.00
Q3 2019	259.00	215.00	205.00	79.00	74.00	68.00
Q4 2019	235.00	191.00	182.00	79.00	66.00	53.00
Q1 2020	92.00	88.00	87.00	51.00	46.10	40.10
Q2 2020	138.00	127.00	125.00	15.40	15.80	16.70
Q3 2020	211.00	179.00	173.00	34.00	35.00	38.00
Q4 2020	217.00	186.00	181.00	16.00	17.00	19.00
Q1 2021	156.00	138.00	135.00	11.40	12.90	15.60
Q2 2021	252.00	210.00	203.00	17.04	19.85	24.01
Q3 2021	206.00	177.00	172.00	45.00	48.00	52.00
Q4 2021	193.00	163.00	159.00	41.00	43.00	47.00
Q1 2022	149.00	132.00	130.00	30.70	33.40	37.60
Q2 2022	153.00	141.00	139.00	68.90	66.00	61.80
Q3 2022	215.00	193.00	190.00	76.10	75.30	74.10
Q4 2022	176.00	159.00	157.00	68.00	72.00	78.00
Q1 2023	257.00	210.00	203.00	57.00	55.00	53.00
Q2 2023	321.00	250.00	241.00	83.00	71.80	71.80
Q3 2023	356.00	278.00	269.00	81.00	79.00	76.00
Q4 2023	298.00	229.00	221.00	76.00	73.00	69.00
Q1 2024	280.00	216.00	209.00	61.00	58.00	54.00
Q2 2024	321.00	244.00	237.00	88.00	82.00	72.00

Table 6

OLS Regression Results						
=====						
Dep. Variable:	净利润率		R-squared:	0.978		
Model:	OLS		Adj. R-squared:	0.976		
Method:	Least Squares		F-statistic:	446.3		
Date:	Tue, 26 Nov 2024		Prob (F-statistic):	2.56e-17		
Time:	11:26:33		Log-Likelihood:	73.701		
No. Observations:	23		AIC:	-141.4		
Df Residuals:	20		BIC:	-138.0		
Df Model:	2					
Covariance Type:	nonrobust					
=====						
	coef	std err	t	P> t	[0.025	0.975]

const	-0.1548	0.022	-7.007	0.000	-0.201	-0.109
每房收入	-0.0016	0.001	-3.103	0.006	-0.003	-0.001
每日房价	0.0053	0.001	5.569	0.000	0.003	0.007
=====						
Omnibus:	6.907		Durbin-Watson:	0.845		
Prob(Omnibus):	0.032		Jarque-Bera (JB):	5.482		
Skew:	-0.641		Prob(JB):	0.0645		
Kurtosis:	5.020		Cond. No.	2.63e+03		

Table 7

OLS Regression Results						
=====						
Dep. Variable:	净利润率	R-squared:	0.988			
Model:	OLS	Adj. R-squared:	0.986			
Method:	Least Squares	F-statistic:	796.6			
Date:	Tue, 26 Nov 2024	Prob (F-statistic):	8.58e-20			
Time:	11:26:35	Log-Likelihood:	83.761			
No. Observations:	23	AIC:	-161.5			
Df Residuals:	20	BIC:	-158.1			
Df Model:	2					
Covariance Type:	nonrobust					
=====						
	coef	std err	t	P> t	[0.025	0.975]

const	-0.0605	0.008	-7.938	0.000	-0.076	-0.045
U.S. & Canada Full Service	0.0004	0.000	4.037	0.001	0.000	0.001
每日房价	0.0013	0.000	12.899	0.000	0.001	0.002
=====						
Omnibus:	22.068	Durbin-Watson:	1.224			
Prob(Omnibus):	0.000	Jarque-Bera (JB):	30.952			
Skew:	1.925	Prob(JB):	1.90e-07			
Kurtosis:	7.180	Cond. No.	1.32e+03			

Table 8

Marriott Hotel										
	Wenzhou	Beijing	Shanghai Bulgari	Tianjin Marriott	Taiyuan Marriott	Chongqing Marriott	Xian Marriott	Xiamen Marriott	Hongkong Marriott	Guangzhou Marriott
Hotel Rating	4.7	4.7	4.6	4.6	4.6	4.6	4.8	4.6	4.7	4.7
Hygiene	4.7	4.8	4.8	4.6	4.6	4.7	4.8	4.7	4.6	4.7
Environment	4.7	4.8	4.7	4.6	4.6	4.7	4.8	4.6	4.6	4.7
Service	4.6	4.8	4.7	4.4	4.5	4.6	4.7	4.5	4.5	4.7
Facilities	4.6	4.7	4.7	4.5	4.5	4.6	4.8	4.6	4.5	4.6
Key words	Elegant environment Breakfast is great Reception enthusiasm	Convenient transportation The gym is great.	Good room pattern	The pool is amazing Suitable for children	The room is large The air conditioning is bad.	It's close to the underground station	Well designed	Great sea view	The buffet is great worth recommending	Very close to the business district

Table 9

H World Group										
	Shanghai Songpin	All Seasons Hotel Shan	Mercure	Taiyuan IntercityHotel	Chengdu Juzi	Shanghai IntercityHotel	Guangzhou Shibo Pavilion Grand View	Shanghai Xi Yue	Ibis Hong Kong	Ibis Hong Kong
Hotel Rating	4.9	4.8	4.7	4.8	4.9	4.9	4.8	4.8	4.2	4.8
Hygiene	4.9	4.8	4.8	4.9	4.9	4.9	4.8	4.8	4.3	4.8
Environment	4.9	4.8	4.7	4.8	4.9	4.8	4.8	4.8	4.3	4.8
Service	4.9	4.8	4.8	4.8	4.9	4.8	4.8	4.8	4.3	4.8
Facilities	4.8	4.8	4.7	4.9	4.8	4.8	4.8	4.7	4.1	4.8
Key words	It has nice garden views Afternoon tea is great	Small room Quiet and comfortable	The elevator is not good Breakfast is great.	The hotel is well decorated	The staff are friendly and warm	The price-quality ratio is very high.	Hotel Very Suite Shuttle service available	Breakfast is not the same	Hotel network is not good	Public transportation is very convenient

Table 10

VIP number	2024	2023	2022	2021	2020
Marriott	219000000	196000000	177000000	160000000	130000000
H world	250000000	228000000	199000000	170000000	169000000

Table 11

Breakdown	TTM	12/31/2023	12/31/2022	12/31/2021	12/31/2020
✓ Total Revenue	24,766,000	23,713,000	20,773,000	13,857,000	10,571,000
Cost of Revenue	19,697,000	18,589,000	16,215,000	11,056,000	9,112,000
Gross Profit	5,069,000	5,124,000	4,558,000	2,801,000	1,459,000
✓ Operating Expense	1,303,000	1,200,000	1,084,000	1,043,000	1,108,000
Operating Income	3,766,000	3,924,000	3,474,000	1,758,000	351,000
✓ Net Non Operating Interest In...	-629,000	-535,000	-377,000	-392,000	-418,000
✓ Other Income Expense	-3,000	-11,000	17,000	-186,000	-399,000
Pretax Income	3,134,000	3,378,000	3,114,000	1,180,000	-466,000
Tax Provision	366,000	295,000	756,000	81,000	-199,000
✓ Net Income Common Stockho...	2,768,000	3,083,000	2,358,000	1,099,000	-267,000

Table 12

Breakdown	TTM	12/31/2023	12/31/2022	12/31/2021	12/31/2020
✓ Total Revenue	23,298,000	21,882,000	13,862,000	12,785,000	10,196,000
Cost of Revenue	14,905,000	14,341,000	12,260,000	11,282,000	9,729,000
Gross Profit	8,393,000	7,541,000	1,602,000	1,503,000	467,000
✓ Operating Expense	3,149,000	2,823,000	1,896,000	1,339,000	1,716,000
Operating Income	5,244,000	4,718,000	-294,000	164,000	-1,249,000
✓ Net Non Operating Interest In...	-74,000	-137,000	-322,000	-316,000	-414,000
✓ Other Income Expense	64,000	768,000	-990,000	-256,000	-616,000
Pretax Income	5,234,000	5,349,000	-1,606,000	-408,000	-2,279,000
Tax Provision	1,404,000	1,204,000	207,000	12,000	-215,000
Earnings from Equity Interest Ne...	14,000	-14,000	-36,000	-60,000	-140,000
✓ Net Income Common Stockho...	3,806,000	4,085,000	-1,821,000	-465,000	-2,192,000

Table 13

Marritto	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
% Independent Directors	72.727	72.727	78.571	78.571	76.923	78.571	72.727	69.231	75	76.923
% Female Executives	16.667	0	25	36.364	27.273	27.273	36.364	44.444	50	45.454
Operating Margin	8.4	9.32	8.01	12.24	11.4	8.58	0.79	12.63	16.67	16.29

Table 14

H World Group Ltd	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
% Independent Directors	50	42.857	42.857	42.857	37.5	66.667	71.429	71.429	71.429	76.923
% Female Executives	25	25	25	25	40	25	50	50	0	45.454
Operating Margin	7.84	10.41	13.32	17.33	23.29	18.8	-16.54	1.28	-2.12	21.54

Table 15

Hotel name	2020	2021	2022	2023
H world Group Limited (000\$)	-180990	25419.7	-43710.3	669548
Marriot(000\$)	351000	1758000	3474000	3924000