

## SWOT Analysis



Luxur International aims to be a premier hotel at the forefront of the hospitality business for a significant amount of time. There will be a fundamental approach to ensure this achievement: the hotel will implement successful methods that will prove to be extremely useful for the company to maintain its dominant position in a highly competitive market. Luxur International, like the other companies in the industry, will have its own set of advantages and disadvantages to consider. These will be the critical considerations that the company's management will consider to carry out its everyday activities more effectively and efficiently (Danca, 2005). A couple of anticipated Luxur International advantages in the hospitality sector are discussed in greater detail below.

### Strengths

Luxur International will thrive on being a market-leading organization with several competitive advantages that will serve as the foundation for the company's overall success in the hospitality industry. Luxur International is headquartered in Texas, United States. These advantages will contribute significantly to the enhancement of the company's general reputation in the existing market and make the transition to the new market relatively simple. In future years, it is anticipated that the company will enjoy tremendous success in the market. One of the

primary reasons for this success will be the development of go-to-market strategies for its products by the company.

Whenever the company enters a new market, it will always try to outclass the investors' expectations. Since the hotel will have a definite aim of expanding operations, it will be considered one of the most dominant organizations in this regard (Lubis, Absah, 2019). Aside from increasing income, expansion of operations will also allow the company to improve its economic cycle, resulting in a greater overall quantity of money being earned. Therefore, the new revenue stream will prove to be highly advantageous to the corporation because it will increase the amount of money that will flow through the organization.

The excellent return a company achieves on its capital expenditures is directly proportional to its financial success. Because of the hotel's effective strategies to reach the required rate of return on its capital investments, it will obtain a substantial quantity of financial reserves, which will be further used to deliver high-quality goods and services to its clients. Goods and services are judged on their overall quality, primarily by how well they are made out of the materials utilized in their production. The hotel has a core focus in this regard because it will access the top suppliers. All of them are highly dependable in terms of supplying high-quality raw materials to the company. As a result, the company will have the opportunity to increase its overall productivity while still providing its consumers with the most reliable and high-quality services.

In the future, the corporation will collaborate with many technology companies to modify its processes to keep up with the latest technologies. Because of this, the business will be able to improve the efficiency of its operations while also developing a reliable connection with its suppliers.

A company's ability to obtain a dominant position in the entire business sector is constantly aided by excess financial resources. As a result, Luxur International will have a strong cash flow, giving its stakeholders the chance to grow its operations and enter more new markets shortly. The fact that the organization will generate free cash flows is, hence, one of its primary advantages.

In the market, the company will be renowned for its effective strategic decision-making, and as a result, it will achieve considerable success. One of the most critical aspects that will contribute to its success will be its ability to adopt innovative measures. Moreover, the hotel will be more focused on generating new and creative goods and employing automated techniques to carry out its daily operations in a cost-effective manner. As a result, the corporation will enjoy the luxury of scaling its operations up and down in response to the needs and expectations of the marketplace (Danca, 2005). The use of innovation and new technology will always be one of the firm's strengths. As a result, the company will establish a respected position in the market and attain the desired competitive edge.

### **Weaknesses**

Weaknesses are also a significant factor that businesses must consider to remain competitive in today's market. Luxur International, like the other firms, will have certain weaknesses in its own right as well. One of the organization's primary shortcomings will be its profitability and net contribution percentage, as both will be significantly below the industry average during the organization's early days. This can be considered as one of the organization's most significant weaknesses. All of these elements will have a substantial impact on the overall well-being of the company. Compared to its competitors in the hospitality industry, one of Luxur International's shortcomings will be a high rate of attrition in its employees. Because Luxur will

invest a significant amount of money in the training and development of its employees to lower attrition rates, the company's cost structure will also increase (Lubis & Absah, 2019). A further disadvantage of Luxur is that, in comparison to its competitors, the day's sales inventory turnover will be low, allowing the hotel to acquire more funds to leverage on the channel. This shortcoming of Luxur International may negatively influence the hotel's ability to grow sustainably. One of Luxur's weaknesses is that the company may face difficulties coping with the challenges posed by new entrants to the hospitality sector. As a result, the company can also observe a small percentage of its market share decline, which is not a good element.

Consequently, Luxur will have to build an internal feedback process that will receive direct input from the marketing and sales teams to combat such issues. As a result, Luxur's net contribution and profitability ratios may fall short of the industry norm due to being inexperienced during the initial days. In a similar vein, Luxur will have limited success in integrating businesses with a different corporate culture, which will prove to be a significant impediment to its expansion.

## **Opportunities**

As far as Luxur's opportunities are concerned, there are external strategic components that the international hotel brand must consider in its planning. Using the web platform, the hotel may reach out to a more significant number of potential customers. Luxur will have to make substantial investments in the web channels over the next few years, including many resources. As a result, this investment will provide the hotel with a new source of revenue. Moreover, the corporation could also take advantage of this extraordinary potential by using big data analytics to discover and cater to the needs of its clients in a more comprehensive manner.

Similarly, Luxur hotels will have the potential to capitalize on consistency in their free cash flows, which can be used to invest in adjacent product sectors. Due to its substantial liquidity, the multinational hotel chain will be well-positioned to capitalize on opportunities to invest in the most cutting-edge technologies, while also expanding into new product sectors. Additionally, modern technology will provide Luxur with a once-in-a-lifetime opportunity to implement a differentiated pricing approach to enter a new market segment. As a result, the hotel will be able to strengthen long-term connections with its loyal customers by providing outstanding services and attracting new and potential consumers by providing value-oriented offers. If the organization's core skills are successfully applied, a similar scenario might occur with other field goods that Luxur International will plan to buy. Additionally, a more flexible taxation policy and environmental rules might have a significant impact on the way businesses operate and present a unique opportunity for key participants in the sector, such as Luxur, to increase their profitability. The company will also allow the customers of the international hotel chains to take advantage of cheap interest rates on credit; the low rate of inflation will help maintain more stability in the business as a whole.

## **Threats**

Over the past few years, there has been a substantial increase in the number of industry competitors, which has put downward pressure on profit margins and the overall revenue of the different hospitality organizations. Additionally, highly profitable products also have a seasonal demand, which means that any unusual occurrence or scenario during the peak season could have a short-term impact on Luxur's revenue and profits shortly. Furthermore, the possibility of substandard products and fake imitations of the company's products will be a significant danger to the company's products in developing economies and underdeveloped nations. Even a slight

increase in the price of raw materials due to cost-push inflation will pose a danger to the hotel industry since it will raise the entire costs of doing business and reduce profit margins for the establishment. Since Luxur will be an international hotel chain with locations in numerous countries, the company will also be vulnerable to variations in currency exchange rates.

Consequently, the dynamic political atmosphere in international marketplaces worldwide will have an impact on the primary business strategy of the company. Finally, the corporation will have to take a proactive approach to develop innovative items superior to those of its competitors. Throughout the next couple of years, Luxur International will introduce several goods, many of which will be developed in reaction to product developments by other significant participants in the market. As a result, the supply of innovative items will not be consistent, resulting in revenue fluctuations between low and high levels.

## References

Danca, A. C. (2005). SWOT analysis. *available at: website-[www. stfrancis. edu](http://www.stfrancis.edu).*

Lubis, T. W. H., Absah, Y., & Lubis, A. N. (2019). Analysis of Restaurant Business Strategy in Developing Business using SWOT Analysis.