

# **The impact of a digital transformation strategy:**

**A case study of the AccorHotels group**

Research dissertation presented in partial fulfilment of the requirements  
for the degree of

**MSc in International Business Management**

Griffith College Dublin

Dissertation Supervisor: **Susan SHORTEN**

**Student Name: Thomas LENOEL**

**28/08/2020**

## Candidate Declaration

Candidate Name: Thomas LENOEL

I certify that the dissertation entitled:

submitted for the degree of: **MSc in International Business Management** is the result of the my own work and that where reference is made to the work of others, due acknowledgment is given.

Candidate signature:

**Thomas Lenoel**

A handwritten signature in black ink, appearing to read 'Thomas Lenoel', written over a set of horizontal lines.

Date: **27/08/2020**

## **Dedication**

This dissertation is dedicated to all the lecturers in Griffith College Dublin that helped me during this year. For the knowledge they transmitted to me over these two semesters through interesting projects and assignments, and for the precious advice and guidelines they gave me during the redaction of his paper.

## **Acknowledgements**

I would like to express my deep and sincere thanks to all the persons that helped me throughout the writing of this dissertation. Without their guidance, help and advice, I would not have been able to achieve the completion of this paper.

I am in debt to Griffith College Dublin professor Justin F. Keogan, without whose passionate lectures, guidance, and ability to challenge his students, the writing of this paper would not have been possible.

I also want to thank Mrs Susan Shorten, for her most appreciated and always pertinent feedback and advice that allowed me to make this paper evolve towards what it is today.

Additionally, I would like to express my gratitude to all the people that participated in the research process by which this study was conducted, without which information, nothing could have been achieved. Amongst them, I'd like to express my most sincere appreciation to Mrs Claudia Sénardière, Mr Alexandre Aoustet, Mr Jonathan Miller, Mr Germain Gaucher, Mr Marc-Olivier Richard and most particularly to Mr Iouri Chapochnikov, for the time he gave me, his kindness, patience and invaluable help.

## **Abstract**

In the past two decades, the development of the internet and new digital technologies led to new means of consumption, new ways to capture and create value and to new channels of communication. These changes were a source of opportunities and threats for existing companies, leading them to ask themselves if digital transformation was a necessity if they wanted to remain competitive in a more digitalised industry. The Hotel industry was particularly impacted by these transformations, with the rise of new digital competitors, either driving their profits down or deviating business from them.

The present research aimed to analyse if the implementation of a digital transformation strategy was a necessity for a company of the hotel industry to remain competitive. To answer this question, the research process revolved around several objectives: Identify the motivations, whether they are threats or opportunities that led the company to undertake a digital transformation strategy, outline the new ways to capture value that resulted from it, assess the impact of this strategy, and finally determine if digital transformation allowed the company to remain competitive.

The research process took the shape of a qualitative analysis of a single global company, operating at the highest level of the hotel industry, Accor. Interviews were conducted with executives of the company and documents regarding the company's digital transformation were gathered.

Several things emerged from the analysis of the collected data. The first one being that the digital transformation process goes far beyond technology, but also encapsulates a deep change in the company's organisation, how it operates and how it thinks its products. Additionally, this strategy led to a diversification of the group's operations in sectors complementary to the hotel industry, through digital. It was also a mean to acquire new skills and competencies that would allow the company to take advantage of the use of data towards its revenue maximisation. It also emerged that digital transformation became a way to broaden the company's partnerships and, most importantly, it allowed Accor to amend the threats that arose in its industry and to take advantage of digital opportunities; leading us to conclude that the digital transformation process was a necessity if Accor wanted to remain efficiently competitive in its native industry.

## Table of Contents

CANDIDATE DECLARATION.....	2
DEDICATION .....	3
ACKNOWLEDGEMENTS.....	4
ABSTRACT .....	5
1.1 OVERVIEW .....	8
1.1 RESEARCH PURPOSE.....	9
1.2 SIGNIFICANCE OF THE STUDY.....	9
1.3 RESEARCH OBJECTIVES.....	10
<b>2 LITERATURE REVIEW.....</b>	<b>11</b>
2.1 OVERVIEW .....	11
2.2 DIGITAL TRANSFORMATION .....	11
2.3 IMPLEMENTING DIGITAL TRANSFORMATION .....	12
2.4 MEASURING DIGITAL TRANSFORMATION .....	14
2.5 BUILDING A STRATEGY .....	15
2.6 COMPETITIVENESS .....	17
2.7 PORTER AND THE HOTEL INDUSTRY .....	19
2.8 COMPETITIVE ADVANTAGE.....	20
2.9 SUSTAINING COMPETITIVE ADVANTAGE .....	21
2.10 DIGITAL TRANSFORMATION AND THE HOTEL INDUSTRY .....	22
2.11 ACCOR .....	22
2.12 CONCEPTUAL FRAMEWORK .....	23
<b>3 METHODOLOGY AND RESEARCH DESIGN .....</b>	<b>25</b>
3.1 OVERVIEW .....	25
3.2 RESEARCH PHILOSOPHY AND APPROACH .....	25
3.3 RESEARCH STRATEGY.....	26
3.4 COLLECTION PRIMARY DATA.....	27
3.4.1 Sources .....	27
3.4.2 Access and Ethical Issues.....	28
3.5 APPROACH TO DATA ANALYSIS.....	29
<b>4 PRESENTATION AND DISCUSSION OF THE FINDINGS.....</b>	<b>30</b>
4.1 OVERVIEW .....	30
4.2 FINDINGS.....	31
4.2.1 Drivers and Goals .....	31
4.2.2 Digital transformation implementation .....	34
4.2.3 Impacts and results .....	42
4.2.4 Maintained competitiveness? .....	44
4.3 DISCUSSION.....	47

4.4	CONCLUSION .....	48
<b>5</b>	<b>CONCLUDING THOUGHTS ON THE CONTRIBUTION OF THIS RESEARCH, ITS LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH .....</b>	<b>49</b>
5.1	IMPLICATIONS OF FINDINGS FOR THE RESEARCH QUESTIONS .....	49
5.2	CONTRIBUTIONS AND LIMITATIONS OF THE RESEARCH.....	50
5.3	RECOMMENDATIONS FOR PRACTICE .....	51
5.4	RECOMMENDATIONS FOR FUTURE RESEARCH.....	52
5.5	FINAL CONCLUSION AND REFLECTIONS.....	53
<b>REFERENCES</b>	<b>.....</b>	<b>54</b>
APPENDICES	.....	A
<b>Appendix A</b>	<i>– Transcript Interviewee A.....</i>	<i>A</i>
<b>Appendix B</b>	<i>– Transcript Interviewee B.....</i>	<i>F</i>
<b>Appendix C</b>	<i>– Transcript Interviewee C .....</i>	<i>L</i>
<b>Appendix D</b>	<i>– Transcript Interviewee D .....</i>	<i>S</i>
<b>Appendix E</b>	<i>– Transcript Interviewee E .....</i>	<i>X</i>
<b>Appendix F</b>	<i>– Transcript Interviewee F.....</i>	<i>EE</i>
<b>Appendix G</b>	<i>– Email Interviewee C – ALL – Objectives.....</i>	<i>JJ</i>
<b>Appendix H</b>	<i>– Documents.....</i>	<i>LL</i>
<b>Appendix I</b>	<i>– Coded Data.....</i>	<i>PP</i>
<b>Appendix J</b>	<i>– Past Interviews.....</i>	<i>ZZZ</i>

## Introduction

### 1.1 Overview

Over the past two decades, the world has experienced the fastest and most significant technological evolution in its history. This important acceleration finds its origins in the ever-growing development of the Internet and the increasing development of communication channels and platforms (Lanzolla and Anderson, 2008).

These new technologies and channels of communication and data transmission have opened new doors and generated new business opportunities for companies and organisations. Some companies built themselves directly from these new digital opportunities. However, to adapt and to take advantage of these new opportunities, many already well-established companies decided to implement a digital transformation strategy (Genennig *et al.*, 2018).

Digital transformation is a broad term referring to a strategically planned organisational process of technology integration within all business units of industries and organisations in both the private and public sectors. It corresponds to the alignment of different technological solutions, which at first glance look disparate, integrated to make them work all together with a single purpose (KPMG, 2017).

The hospitality industry was significantly disrupted with the rise of online travel agencies or online private rental agencies such as Airbnb. Indeed, these new players, born from the digital age constitute a threat for already established businesses in this specific industry.

Online travel agencies are now fully part of the booking process and client rarely book their room directly on the hotel website, they are now able to compare prices to obtain the best deals, forcing hotels to drive their prices down. Hotels are also dependant on online travel agencies because they are mostly responsible of the advertisement of the hotel, even in exchange for high commissions (Strachan, 2019).

On the other hand, a company like Airbnb acts as a proxy between a landlord and a client (peer-to-peer) wishing to rent a room or a house for a period of time. This new process allows the client to choose the place that corresponds the most to its desires and since the facilities are not owned by

hotels, they are completely driven out of the process and experience losses in their revenue (Zervas *et al.*, 2017). To illustrate this evolving threat for traditional hotels, the market capitalisation of Airbnb evolved from the sixth position in the industry in 2014 with £10 billion, right behind Accor to the second position with £24 billion in 2015, behind Hilton (Ahmad and Neïla Bachene, 2016).

To compete against these new digital players and against their historic competitors, hotel groups are now forced to face digital transformation to take advantage of its new opportunities.

## **1.1 Research Purpose**

The topic on which this research paper will be focused is the effect of a digital transformation strategy in a hotel group. It aims to investigate whether or not the implementation a digital transformation strategy translates in this hotel group to remain competitive. Indeed, the new kind of threats coming from online travel agencies and online rental agencies and the new business opportunities arising from digitalisation need to be addressed by the traditional hotel businesses and this research will help understanding if a digital transformation strategy is a good way to address them.

## **1.2 Significance of the Study**

The finding of this research process aims to provide relevant information two kinds of people regarding the implementation of a digital transformation strategy.

First, hotel executives working in an organisation that still has not implemented a digital transformation strategy. Indeed, at the end of this research, they might find information or guidelines on how to conduct an effective digital transformation to assess the new threats faced by the industry or simply to know if it is worth developing such a strategy or not.

Secondly, future researchers or the researcher himself if he wishes to pursue this study. Indeed, this research paper might provide a strong basis for further investigations concerning digital transformation in the hotel industry, especially if it goes in depth to assess its effects on very specific departments.

It is also worth mentioning that this study is only limited to the hospitality industry and that it will not focus on the effects of digital transformation in other sectors. Knowing this, the researchers willing to conduct further studies build on the present one would have to understand that the findings may not

be suitable to be used to assess other industries for the findings will be contingent of the overall strategy of this specific company and the action it has undertaken.

### **1.3 Research Objectives**

The aim of this research is to determine whether or not implementing a digital transformation strategy translates in a company remaining competitive in the hospitality industry. It will be built around five main objectives:

1. Identify the motivations that led the group to undertake a digital transformation strategy.
2. Outline the goals that were pursued though its achievement.
3. Determine the new ways to capture value that resulted from this digital transformation strategy.
4. Outline the impacts and results of this strategy.
5. Determine if the digital transformation strategy resulted in in an enhanced competitiveness for the group.

## **2 Literature Review**

### **2.1 Overview**

In this part, a critical review of relevant literature will be provided. It will contain reviews of contextual, conceptual, and empirical articles and will highlight the existing debates in the literature. The review itself will be carefully organised in specific themes that will help us during our data collection and analysis.

### **2.2 Digital Transformation**

As stated in the introduction, technological evolution has experienced an unprecedented acceleration in the past two decades. To illustrate this acceleration, the OECD measured that in 1997, only four per cent of the world's population had access to the Internet. In contrast, twenty years later, in 2017, this number had massively increased to reach more than fifty per cent of the world's population. Additionally, the OECD observed that mobile technologies had reached full penetration within its member countries with more than a hundred mobile broadband subscriptions per hundred people (OECD, 2017).

Companies and industries are more and more concerned about digital transformation and the reasons that would drive a company to undertake or prevent a digital transformation strategy are various. Indeed, many firms choose not to implement such a change within their organisation. According to OECD, in 2015, only 20% of SMEs – Small Medium Enterprises – generated revenue from e-commerce against 40% of large companies (Bianchini, 2019).

Also, there is a massive gap between industries regarding their level of digitalisation. Some economic sectors have a very high level of digitalisation, such as IT and information services, finance and insurance, scientific research and development or advertising. Whereas, other economic sectors have a low level of digitalisation, such as agriculture, the construction industry, water supply or food services (OECD, 2018).

Several technologies are heavily implemented during digital transformations, amongst them we can find:

#### **IoT (The Internet of Things):**

It refers to the ever-growing network of interrelated physical or digital devices equipped with an IP address thanks to which they will be able to communicate with one another and transfer data

without a requirement for human-to-human or human-to-machine interaction. Examples of such systems would be wireless sensors or smart homes (Georgios Lampropoulos *et al.*, 2019).

### **Cloud-based solutions:**

It refers to on-demand and remotely accessible computer resources and applications that companies can rent from a "Cloud-service" provider without having to ensure maintenance and storage. For instance, AWS (Amazon Web Services), is largely used by companies to host websites or remotely store data without having to maintain their own servers (Venters and Whitley, 2012).

### **Machine Learning:**

It refers to one of the subsets of Artificial Intelligence. It relies on the development of algorithms built around mathematical, primarily statistical models. By training systems with continuous flows of data, Machine Learning aims to increase the accuracy of algorithms, allowing them to make predictions, take decisions based on their own experience or outputting bespoke results, relevant only to the current user. Examples of Machine Learning are virtual assistants such as Siri, Alexa or Google Now, but also facial recognition technologies or traffic predictions (Mengnan Du *et al.*, 2020).

These are not the only technologies that can be found in digital transformation. Many others offer new possibilities of doing business to professionals. Amongst them, mobile applications, increasing demand for online security, robotics, data collection, storage, and analytics (Bone, 2018).

Nevertheless, digital transformation has less to do with actual technology implementation than with a complete refactoring of the way an organisation does business and delivers value to its clients. The fact that this process will take different aspects for every company and organisation makes it difficult to define with precision (Kane, 2019).

## **2.3 Implementing Digital Transformation**

The OECD is an abundant source of data-driven literature. In its review "Going digital in a multilateral world" based on previous research, the organisation aims to provide a policy framework serving as guidance in order to make digital transformation work at the country level (Angela, 2018).

The first step to enable digital transformation is to democratise access to technology. This implies good digital infrastructure and widely accessible broadband communication networks which can only be developed with heavy investment promotion by governments (Angela, 2018).

The second step comprises the use, innovation, trust, jobs, and well-being. Digital infrastructure does not ensure efficient and regular use of it. The best way to ensure it is by increasing education and make governments enable the diffusion and adoption of

digital technologies. A sustained level of innovation requires continuous investment in public and private research improved by the use of analytics. The trust aspect must be ensured by an increase in data privacy and digital security. The organisation also promotes social dialogue is inevitable to accompany the changes occurring in the jobs and workplaces impacted by digital transformation. Well-being can be achieved by enabling people from different cultures to communicate with each other or to enable better access to healthcare services through digital technologies (Angela, 2018).

The third step is a digital government. OECD encourages governments to digitally transform because it develops new opportunities to increase access, reach and quality of the public services.

The fourth and final step is strategy. Developing a strategy impacts all aspects of economy, society and government activities and can only be implemented by increasing cooperation between ministries and economic sectors.

However, it remains a set of guidance policies and therefore has flaws. It cannot be assumed that these pieces of advice will work for all countries, for reasons linked to the importance of their wealth, resources, or level of education. But if they work, it is unlikely that all nations will be able to implement it at the same pace, therefore, creating a competitive disadvantage for the least advanced countries (Angela, 2018).

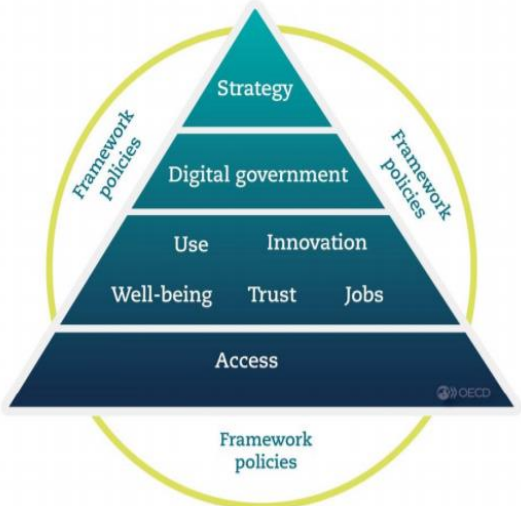


Figure 1: An integrated policy framework for making digital transformation work (Angela, 2018)

## 2.4 Measuring Digital transformation

In their paper "Measuring the effect of digitalisation", Mammadli and Klivak aimed to investigate the impact of digital transformation on the economy and more specifically on GDP (Growth Domestic Product). Their research was motivated by the lack of quantitative information regarding the effects of digital transformation on economic indicators. It is why they decided to develop a synthetic index, the Index of Digitalisation, reflecting the advancement of digitalisation at the country level (Mammadli and Klivak, 2020).

This index was made of five indicators, weighted as follow and converted into a percentage: Digital Life 20%, Economy and Research 20%, Infrastructure 25%, Citizen services 10% and Digital community 25%. Sub-indexes could then be measured from their Index of Digitalisation: The fixed broadband penetration per hundred people, the mobile broadband penetration per hundred people, the PC population penetration on all households, the E-government score, the percentage of individuals using the Internet, mathematics education and the number of ICT (Information and Communication Technologies) workers per hundred people.

From this research, they found that a 1% change in their Index of Digitalisation would imply a 0.09% change in GDP on the short-run and a 0.154% on the long-run. However, their research was conducted using only the Total Factor Productivity model. Therefore, their results could be altered if they had used other models. Additionally, the Total Factor Productivity model is highly critiqued, especially regarding how inputs and outputs are measured because it does not make a difference between products and services which measurement of outcome is not precisely quantifiable (Mahadevan, 2003).

Moreover, if the OECD agrees with the fact that digitalisation should be measured amongst economic statistics, they also argue that this should not be the only way to quantify it. The other measurements that should be considered are the ICT (Information and Communication technologies) investment, the impact on people's well-being and mental health and the development of interdisciplinary approaches in data collection (OECD, 2019).

## 2.5 Building a strategy

Digital transformation is a notion that lacks theoretical and conceptual representation. No real peer-reviewed model or framework is currently available. The only literature describing the steps of digital transformation strategy or provide guidance regarding its implementation are emitted by consultancy firms such as Accenture, Capgemini, or KPMG. While being actively and successfully involved in the digital transformation process and its application, these firms are not objective and will always try to promote their frameworks, processes, and views. It does not necessarily mean that they are wrong and that their methods do not prove useful, but these organisations follow their own agenda. Therefore, their guidance cannot be regarded as theory.

Nevertheless, Hambrick and Fredrickson's Strategy Diamond is an interesting framework regarding the implementation of a strategy that could be applied to digital transformation. This model describes five components, which, assembled together as a whole, to form a strategy (Hambrick and Fredrickson, 2001).

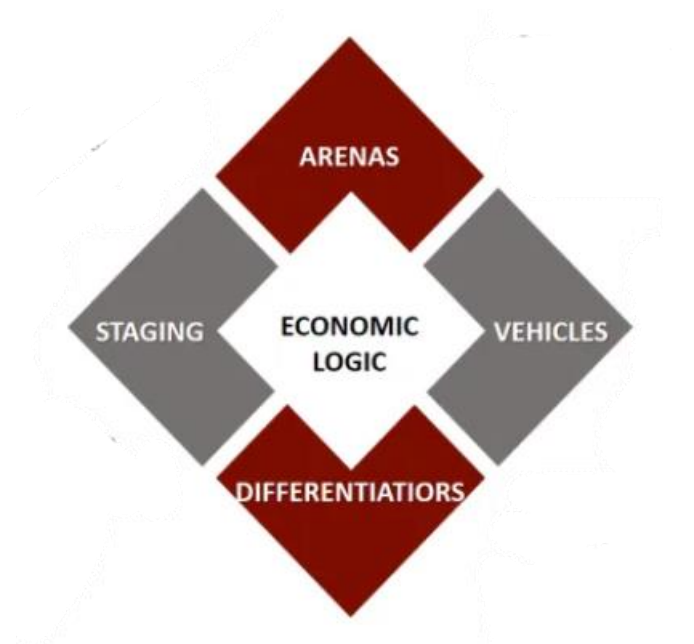
**Arenas:** The first component of the implementation of a strategy is Arenas. This component asks the question: Where will the company be active? The organisation should determine the fields in which it will operate. These fields must be as precise as possible and should imply the product categories, the market segments, the geographic areas, the core technologies, and the creation stages (design, manufacturing, selling). The organisation must also determine on which arenas it will put the more emphasis. Indeed, some market segments can be identified as fundamental when others might be secondary.

**Vehicles:** The vehicles are the means by which the organisation intends to implement the arenas, how it plans to get there. For instance, how to enter a specific market segment or a particular geographic area. Examples of these means are acquisitions, joint-ventures, internal development, licensing, or franchising. However, this step should not be regarded as a detail of the implementation of the arenas. It should be carefully thought from the beginning.

**Differentiators:** The differentiators are the means by which the organisation intends to win in the marketplace. The differentiation can be achieved by the organisation by product customisation, but also by building a strong brand image, lowering prices, or put emphasis on the design or the product reliability. The differentiators must be consistent with the organisation's resources and capabilities and bring strong value to the arenas.

**Staging:** Staging implies speed and major moves that the organisation must make if it wants to be successful in the achievement of its strategies, such as the speed of expansion or the speed of initiatives.

**Economic logic:** The economic logic, located at the very centre of the diamond, is the mean by which the organisation aims to generate profit. Amongst these means, the company can lower its costs by building economies of scale, reduce its costs thanks to replication, increase its prices thanks to unmatched services or exclusive product features.



*Figure 2: Hambrick and Fredrickson's Strategy Diamond (Business-to-you.com, 2016)*

Hambrick and Frederickson's framework are thus a good way to develop a strategy and an innovative business model. Additionally, Bashir and Verma argue that an innovative business model is a good source of competitive advantage because rival firms can perfectly reproduce a good or a service, but imitating an whole new business model would be very complicated because this business model would be based on the company's own strengths (Bashir and Verma, 2017).

## 2.6 Competitiveness

In 1985, Michael Porter argued that competitive strategy was driven by two central factors. The first one being the attractiveness of industries for generating long-term profits and the second, the company's positioning in the industry. However, these factors are not sufficient to drive an entire strategy. Indeed, a company might generate profits in a poor industry or on the contrary, being in a very attractive industry and not generate profits at all.

To answer both questions, Porter developed two frameworks. The first one, called as the "Five Forces". It aims to assess the competitiveness of an industry, which is, according to him the first fundamental determinant to a company's profitability (Porter, 2008).

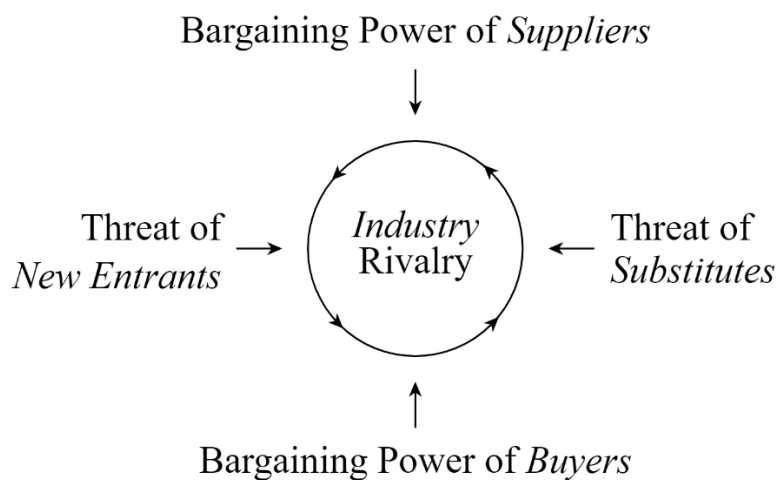


Figure 3: Porter's Five Forces (Porter, 2008)

The "Five Forces" assess five competitive forces applied against an industry:

**The threat of new entrants**, which is determined by barriers to entry amongst which we will find economies of scales, but also proprietary product differences, brand identity or capital requirements.

**The bargaining power of suppliers**, which is determined as the extent to which value created for buyers will be appropriated by suppliers rather than by firms in an industry.

**The bargaining power of buyers**, which is determined is as the extent to which buyers retain most of the value created for themselves, leaving firms with modest returns

**The threat of substitute**, which is determined as the extent to which some other product can meet the same buyer needs, and thus places a ceiling on the amount a buyer is willing to pay for an industry's product.

**The competition in the industry**, which is determined as the extent to which firms part of an industry will compete away the value they create for buyers among themselves, passing it on to buyers in lower prices or dissipating it in higher costs of competing

This model takes several microeconomics factors into account such a supply and demand, barriers to entry, substitution effects and market structures. However, there are limitations to this model, indeed, it does not consider the rapid evolution of the industry, especially through technological change (Stonehouse and Snowdon, 2007). Also, the market is seen as relatively static and non-market forces are not considered. The results can also be entirely different from one industry to another. This model would therefore better suit the analysis of relatively simple market structures.

To assess how a company should position itself in the industry to achieve competitive advantage, Porter developed a framework based on three generic strategies which were previously developed (Porter, 1985). These strategies are:

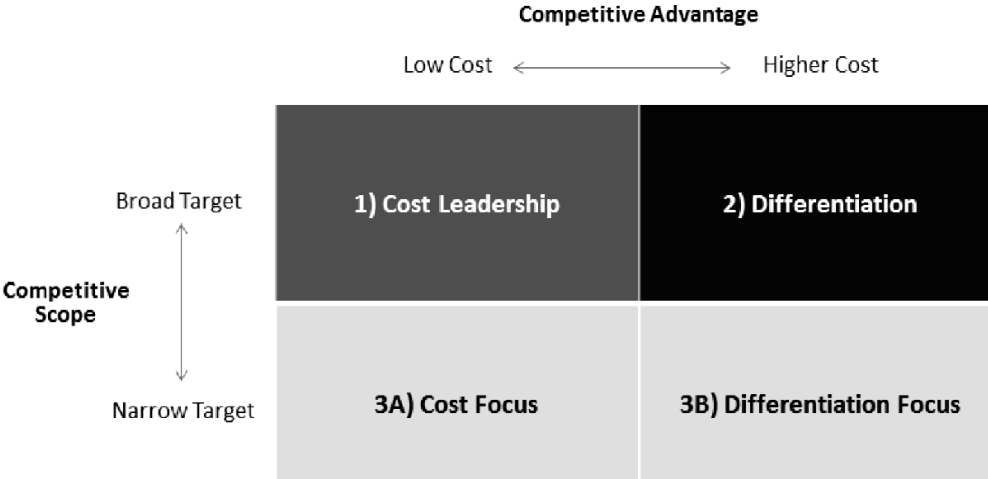


Figure 4: Porter's Generic Strategies (Hales and Mclarney, 2017)

**Cost Leadership:** Obtaining the lowest costs industry, offer the lowest prices and possibly draw benefits from an economy of scale in a broad industrial scope.

**Differentiation:** Become unique in the industry by developing differentiators highly valued by the customers. It can be achieved by a greater quality, a larger distribution network or durability.

**Focus:** The focus strategy can be achieved either on costs or differentiation but is narrowed to a smaller or specifically targeted market. It can be a niche where customers have unusual needs or where the production system differs from the rest of the industry.

A study assessing the relevance of this model in electronic markets deemed it relevant to assess the strategy of firms operating in these markets. However, it was also outlined that firms should not

completely rely on it and also consider factors such as the nature of the industry or market conditions (Koo *et al.*, 2004).

### 2.7 Porter and the hotel industry

Porter’s theory of the five forces that influence competition was used by Cheng in 2013, when he aimed to assess the competitiveness of the hotel industry.

<b>Threat of new entrants:</b>
Operating in the hotel industry requires high capital costs in terms of real estate, staff, amenities, or promotion. Starting a small local hotel can come at relatively low cost, however, this business will be extremely dependant on tourism and affluence in the local area, when a bigger company would smoothen its costs in a larger number of hotels in different geographic locations. If this business wishes to expand at a larger scale, costs will increase dramatically because it will have to ensure the ownership of infrastructures, increase its staff, offer differentiated products, and ensure the promotion of its newly acquired hotels to increase its brand image. Therefore, if a new business wishes to expand globally from the beginning, it will face massive barriers to entry and an already globally established hotel group will not be directly threatened until the entrant’s brand image becomes as recognised as its own (David S. Y. Cheng, 2013).

<b>Bargaining power of suppliers:</b>
This power is relatively low in the hotel industry because the main source of value creation, the hotel room is provided by the hotel. The bargaining power of amenities suppliers is almost non-existent because in the case of a feud, hotels would just look for other companies to get their supplies from. The bargaining power of buyer of the hotel regarding amenities suppliers would be far greater, especially in global brands, because they help promote those suppliers’ products. The only suppliers that could have a significant power are well qualified and trained staff as there is a significant demand for them in the industry and hotels success relies mostly on the quality of their service (David S. Y. Cheng, 2013).

### Bargaining power of buyers:

It means that if the buyers are more concentrated than the industry's firms, they might become more powerful and drive their prices down, therefore, reducing the margins of the firms. Digital tools and the internet now allow the customers to directly go online and compare prices or services to gain access to what would better suit their expectations in terms of prices or services (David S. Y. Cheng, 2013).

### Threats of substitutes

There are very few possible substitutes to hotels because hotel chains offer all sorts of prices and services and target different audiences (David S. Y. Cheng, 2013).

### Competition in the industry

In the hotel industry, there is heavy competition, especially amongst the largest groups to which Accor belongs to because the switching costs are low (David S. Y. Cheng, 2013).

## 2.8 Competitive advantage

Unlike digital transformation which definition remains blurred and context-dependant, trade and economic advantages have been theorised for years, even centuries. In "*An Inquiry into the Nature and Causes of the Wealth of Nations*", published in 1776, the Scottish economist and philosopher Adam Smith develops the concept of absolute advantage. This concept considers two nations (which could also be identified as businesses or other organisations) producing identical goods or services. If one of these nations is able to produce more goods or to deliver more services by using fewer resources (such as raw material or labour) in a shorter amount of time than the other, this nation is said to have an absolute advantage over its competitor (Adam Smith, 1776). Smith's theory mainly relies on free-markets and a limited government action (Boudreaux, 2020).

Years later, in "*On the Principles of Political Economy and Taxation*" published in 1817, the English economist David Ricardo developed the concept of comparative advantage. This concept, as the absolute advantage theory considers two nations producing identical goods and services. However, rather than just analysing the cost (in labour, time, and resources) of producing these goods, the opportunity cost is also considered. These nations produce two goods; if the opportunity cost of producing good A is lower than producing good B in the first nation, then it should focus in the production of good A, leaving the production of good B to the other nation. This theory argues that both parties can draw mutual benefits from trading with each other for the goods they do not produce (David Ricardo, 1817). Ricardo's model has been criticised for ignoring parameters like potential gains from trade or being careless by assuming constant labour costs and international factor immobility (King, 2013).

## 2.9 Sustaining competitive advantage

Several researchers thought about the way to achieve a sustainable competitive advantage. Jay Barney thinks that a sustained competitive advantage arises when an innovative strategy is being implemented by a company but by none of its competitors and when the competitors are unable to replicate any of the benefits drawn from the implementation of this strategy (Jay Barney, 1991). He believes that a sustained competitive advantage can only be achieved through the resources of the firm. The resources encompass assets, capabilities, processes, information, or knowledge. Barney believes that to build a sustainable competitive advantage, these resources must be:

**Valuable:** Resources are considered valuable when they enable the firm to increase its effectiveness, efficiency, and profits.

**Rare:** Valuable resources that every company in the industry can obtain at the same time cannot be sources of any kind of competitive advantage because it will be used by all the actors in the market.

**Hard to replicate:** Valuable and rare resources can only be a source of competitive advantage if the company's competitors cannot replicate it or if they must first learn new processes before obtaining these resources.

**Not substitutable:** It does not matter if a resource is valuable, rare, and difficult to replicate if the company's competitors can substitute it with something else, especially if the substitute is cheaper.

Others like Huang, Dyerson, Wu and Harindranath think that a sustainable competitive advantage is developed by immediately transforming the outcome of a temporary competitive advantage in a new

set of resources. These resources, being the sole property if the advantaged company can use them to improve their advantage and make it sustainable (Huang *et al.*, 2015) [Huang 2015].

Gottschalg and Zollo developed a theory and a framework stating that a sustainable competitive advantage would be the result of a joint-effect of the company's existing assets, resources and capabilities alongside and alignment of the interests of all the parties of the firm (Gottschalg and Zollo, 2007).

## **2.10 Digital transformation and the hotel industry**

The hospitality industry is heavily impacted by digital transformation. Indeed, new players have emerged from the sharing economy such as Airbnb. The rise from these new competitors had a negative effect on local hotels. When estimating the impact of the sharing economy on hotels, patterns occurred showing that these new platforms were becoming substitutes to standard hotels by becoming imperfect but viable alternatives and they manage to differentiate themselves with more flexibility than hotels (Zervas *et al.*, 2017).

According to Roach, a 2014 analyse conducted in fifty United States cities showed that the profits generated by hotels had been reduced by 3.7% because of the rise of a platform like Airbnb. This is mostly explained by the fact that Airbnb increases the room supply and therefore is driving hotels' prices down as well as deviating clients from traditional hospitality (Roach, 2018).

## **2.11 Accor**

Accor is a French hotel group created 1967. The group owns, manages, and franchises hotels worldwide and leads the hospitality industry in Europe. By December 31<sup>st</sup>, 2019, Accor was operating in 112 countries where it worked with more than 5,100 hotels, offering more than 750,000 rooms (AccorHotels, 2019d). The group operates amongst the Top 10 hotel groups in the world.

On January 1<sup>st</sup>, 2020, Accor was ranked third in term of EBITDA (earnings before interest, taxes, depreciation, and amortization) with \$924m, before IHG (InterContinental Hotels Group) and behind Hilton. It was also ranked seventh in terms of room supply worldwide; the market leader in terms of rooms supply being Marriott with more than 1,300,000 rooms. Accor's main competitors worldwide are Marriott, Hilton, IHG and Hyatt (Hospitality ON, 2020).

Accor's brands operate in all the segments of the hotel industry, such as economy (Ibis), midscale (Mercure, Novotel) and luxury (Sofitel, Raffles). The group is also part of the CAC40 index, the forty most valued companies on the Paris stock exchange (AccorHotels, 2020d).

## **2.12 Conceptual Framework**

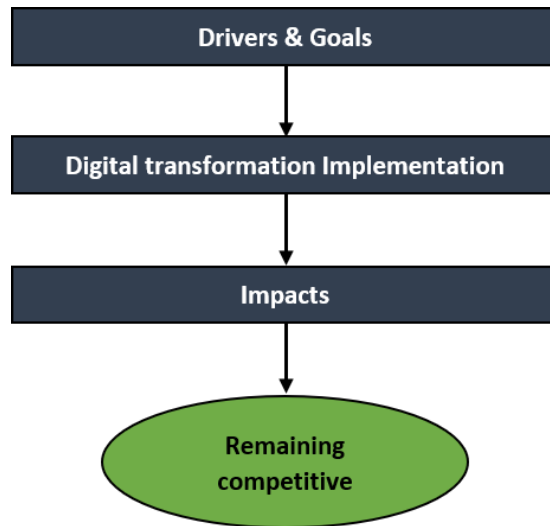
A conceptual framework was developed to assess if the implementation of a digital transformation strategy is a key factor for a company to remain competitive in its industry.

First, the framework aims to outline the drivers, opportunities or threats that led the studied company to undertake a digital transformation strategy. By assessing the competitiveness of the industry in which the company evolves, a clear picture of its immediate business environment will emerge. Additionally, the company will be able to position its offer regarding its competitors based on the industry's competitiveness and its own strengths and weaknesses (Porter, 2008). Moreover, the research will determine the goals and objectives that were pursued by the company through its digital transformation strategy.

Secondly, the framework aims to describe by which means the company has implemented its digital transformation strategy to reach its objectives. It will focus on the new potential markets targeted by the company, the new skills it aimed to acquire, and its key projects.

In a third time, the framework will outline the impacts and results of the different steps of the digital transformation process. Allowing the research which benefits and downturns the company experienced during the implementation of the strategy.

If the outcomes of this transformation take the shape of new resources, a new position in the industry or new ways to create and capture value that amend the threats found in the initial industry analysis, it will be considered that this company remains competitive.



*Figure 5: Conceptual Framework*

### **3 Methodology and Research Design**

#### **3.1 Overview**

In this chapter, the overall approach and the design of the research process that will be used to carry out this study will be described. It will contain a justification of the philosophical bias the research will take and an explanation of the overall logic for the choice of the different methods used for the collection of data and the kind of data to obtain and analyse. It will also describe the different criteria which will be used to make the selection of the studied industry, company or interviewed people. Additionally, more information will be provided, such as the nature of the data that will be collected, the kind of question that will be asked and the kind of documentary sources that will be used. Furthermore, different issues related to access or ethics during the data collection process will be assessed. This chapter will be concluded by providing a detailed description of the methods, techniques, and tools the collected raw data will be analysed with.

#### **3.2 Research Philosophy and Approach**

This section aims to explain and justify the research paradigm and the main philosophical influences that will frame the overall approach by which this study will be conducted. The justification will be based on both the researcher's own understanding of research references, but also on the relevance of the chosen paradigm to complete the research purpose and objectives. There are two main research paradigms that can be used to frame a research, the positivist approach, and the interpretivist approach.

Positivism focuses on the importance of theory as a source of explanation and applies logical reasoning to explain events. It aims at creating causal relationships between studied variables and applied theory. This paradigm requires a fully objective approach of the research and focuses on quantitative research and scientific methods. This paradigm is criticised because separating people from the context which they evolve in is impossible. They also cannot be understood without an understanding of their individual perceptions and the researcher will always try to add some of its own values and assumptions in the research process, making it only partially objecting, meaning not at all (Collins and Hussey, 2003).

On the other hand, interpretivism assumes that the researcher's own bias is not separable from the research and that social reality is highly subjective considering the individual perceptions of people and the context which they evolve in. Interpretivism aims to understand the level of complexity of a phenomenon with an understanding of its social context. This paradigm focuses on qualitative research methods and a humanist approach (Collins and Hussey, 2003).

This aim of this research process is to determine whether or not implementing a digital transformation strategy translates in a company remaining competitive in the hospitality industry. Its objectives are, first to identify the drivers leading a company of the hotel industry to undertake a digital transformation. Secondly, to identify the goals it pursues through it. Thirdly, to determine the new ways of creating and capturing value resulting from digital transformation. Fourthly, to outline the effects and results of this strategy; and finally, to assess whether this strategy allows the company to remain competitive in its industry.

Completing these objectives will require a rather subjective approach. Indeed, since companies evolve in different industries and target different markets, their choices in technology implementation might be different from one another. The same reasoning applies to the drivers for digital transformation because all companies have different needs and motives. Also, implementing a digital transformation will have different effects on companies and in their targeted departments. Finally, all companies might have a different view or vision of what being competitive in their industry means to them, how they value it and how to achieve it. Knowing that, the present research has a subjective bias, therefore, it should take an interpretivist approach as the main influence regarding the way it will be conducted.

### **3.3 Research Strategy**

The present research aims to explain the necessity for a company of the hotel industry to implement a digital transformation strategy to remain competitive; by assessing the impacts of this strategy on the studied company. The research strategy that will be used to conduct the study will be a qualitative research through a mix of both explanatory and descriptive case study. This research strategy will be the most suitable to complete the objectives because it focuses on the phenomena of digital transformation which the researcher has no control on, but also because the research aims analyse the impacts and effects that the implementation of digital transformation had on the chosen company.

Additionally, this case study will be conducted following a deductive approach. Deduction starts with the formulation of a theory or a hypothesis and, through different observation, aims to logically confirm the original theory. In the case of this study, the hypothesis that to remain competitive, a company of the hotel industry has to undertake a digital transformation strategy will be formulated and the research will aim to confirm this theory through the observation of facts and impacts of this transformation (Wilbanks, 2010).

### **3.4 Collection Primary Data**

#### *3.4.1 Sources*

To efficiently conduct the research, and to provide a suitable answer to its objectives, the researcher will collect both primary and secondary data. The most relevant source of data for the research will be primary data, in other words, data that the researcher would have collected himself. The primary data that collected for the study will be the result of several interviews carried out all along the research process. These interviews will be structured, and questions, open-ended, will be ranked and sorted in themes to keep a logical frame, each theme being the logical continuation of the previous one, like an Ariadne's thread. Each interview should last between 45 minutes and an hour and will either be conducted on Zoom or Skype. Indeed, due the COVID-19 situation that occurred in 2020, face-to-face meetings will be impossible and because the geographical location of the interviewer and the interviewee might differ, these interviews will be conducted remotely though the previously describe online tools.

Other sources of information will also be used to carry out this research, most importantly literature. They will be taken from past interviews of executives of the studied company, but also from documents publicly disclosed from the company or internal documents obtained by the intermediary of the interviewees on the basis that the company's agreement. Amongst these documents, the researchers would like to obtain financial statements over several periods of time, showing the economic evolution of the company through the digital transformation process. Additionally, obtaining internal reports on the implementation of digital transformation process in the chosen company and its level of efficiency and success would be beneficial. These reports can be found in the **Appendix H**, at the end of this paper.

For the purpose of the research, the scope of the study must be set. This scope encapsulates the type of the studied company, its size, the industry which it evolves in and finally, the type of people which will be interviewed.

The chosen industry will be the hospitality industry because it is highly challenged by digital changes, whether from new entrants or new technologies potential advantages. The chosen firm must be of a significant size and importance for the simple reason that implementing a digital transformation strategy is costly and that a large company would already have the sufficient resources to implement it compared to a smaller firm. Additionally, obtaining already publicly disclosed documents would also be easier than a smaller company.

The chosen company is Accor. The targeted interviewees are highly ranked executives of the company that would have a significant knowledge in the following sectors: the company's overall strategy, the company's business model, its digital services and partnerships, IT infrastructure and Data Analytics.

### 3.4.2 *Access and Ethical Issues*

Without getting access to the relevant data, conducting an efficient research will not be possible. Several access and ethics problems concerning the data might occur. Indeed, if the company is currently implementing internal strategies with the purpose of obtaining competitive advantage, it might be reluctant to disclose information or if the company wishes to keep its processes and practices secret. The same problem might occur if the company thinks that the disclosure of data might harm its public image because of unorthodox business methods.

However, establishing a list of relevant people to interview was relatively easy thanks to a contact working for the company. Each and every one of them was provided a consent form stating that the interviewees have the right to retract and to ask for the content of their interview or the files they shared to be erased.

If the subject company does not wish to disclose information for X or Y reason, it is its complete choice and the researcher will have to comply with the company's decision. The researcher also has obligations such as truthfulness, full transparency, providing accurate transcripts of the interviewee's answers, providing accurate results, whether they confirm the research objectives or not and finally, protect the privacy of the interviewee if he demands it and not to harm the selected company.

Thankfully, all interviewees accepted the terms and stated that in any case, the data that they would provide would only concern non-sensitive topics. Additionally, none of them requested to remain anonymous during the research process. However, for the purposes of this research all interviewees will remain anonymous.

The main limitations of this research lie in the fact that all the information gathered are not impartial. Indeed, whether the information is a press release, an interview, or a financial statement, it is released and one way or another controlled by the company. This research will therefore gather and analyse information which cannot be compared or challenged.

### **3.5 Approach to Data Analysis**

Interviews will be conducted in French. The transcript will be carefully translated into English, coded and analysed. Indeed, a large portion of the interview's final transcript text will be raw, complex, irregular and all the content will not be relevant. In order to solve this issue, raw data will have to be organised and filtered to extract the most relevant information and classify them in relevant themes to create scientifically acceptable conclusions providing answers to the original research objective and following the logic patterns described in the conceptual framework. To qualitatively distillate the raw data, a coding system will be used to organise and analyse it (Berends and Johnston, 2005). In this coding system, data will be classified in themes which will be determined by the nature of our research. Relationships between themes might occur and will have to be linked to the original conceptual framework to conclusions from them.

The process is simple, the answer to each question or piece of information will be broken down in several parts. The first part will be a Code assigned to the type of answer. The second part is a category, acting as a sub code, allowing the researcher to gather several types of information under the same code. For instance, for the code C\_REASONS, representing the reasons that led the company to undertake a digital transformation strategy, different categories will emerge regarding the type of reason. Then, there will be a part containing the data, another showing the type of resource the data comes from, whether it is an interview, a website, or a report. The last, part will be the source of the data, either an information indicating which interviewee the source comes from or the link of a website.

## 4 Presentation and Discussion of the Findings

### 4.1 Overview

At the end of our data collection process, six interviews with Accor executives were conducted, several yearly and quarterly reports publicly disclosed by the company were collected, and past interviews of the current CEO and CDO were consulted. Each and every one of these data sources was coded according to the process highlighted in the previous chapter. The findings will be representations of the answers to the interview questions and direct quotations from the interviewees supported by additional data collected in the previously described documents or past interviews. These findings will directly be linked to our conceptual framework and all accessible in the appendix of the present paper.

This first table presents an overview of the people who participated in these six interviews, their level of responsibility and how long they have been evolving within Accor:

**Table 1: Overview of the interviewees**

Name	Role	In the company since
Interviewee A	Senior manager - Data & Analytics	2019
Interviewee B	Senior manager – Analytics	2017
Interviewee C	Senior manager Sales Data & BI	2019
Interviewee D	Senior manager - Business, Customers & Digital	2015
Interviewee E	Acquisition Analyst	2016
Interviewee F	Senior manager - Business Intelligence – Big Data	2004

Additionally, this second table contains a description of the different codes that were set and used to perform the data analysis:

**Table 2: Description of codes**

Code	Description
C_REASONS	Information concerning the reasons that led Accor to undertake a digital transformation strategy.
C_GOALS	Information concerning the objectives of Accor’s digital transformation strategy.

C_TRANSFORMATION	Information concerning the implementation of Accor's digital transformation strategy.
C_NEW_SECTORS	Information concerning the new sectors or industries in which Accor operates thanks to its digital transformation strategy.
C_NEW_SKILLS	Information concerning the new skills and competencies Accor acquired thanks to its digital transformation strategy.
C_ALL	Information concerning Accor's new digital loyalty program.
C_BENEFITS	Information concerning the benefits of Accor's digital transformation strategy.
C_OBJECTIVES_MET	Information concerning the fulfilment of Accor objectives.
C_OPPORTUNITY_COST	Information concerning the opportunity cost of not implementing a digital transformation strategy.
C_ANALYTICS	Information concerning the use of data and analytics within Accor.
C_COMPETITION	Information concerning Accor's main competitors and competition's geographical location;

The raw transcripts of the interviews can be found in **Appendix A to Appendix F**.

Additional documents such as official press releases and financial statements, **Appendix H**.

The coded information can be found in **Appendix I**.

Past interviews of Accor's CEO and CDO can be found in **Appendix J**.

## 4.2 Findings

### 4.2.1 *Drivers and Goals*

The research's conceptual framework begins with the analysis of drivers that led Accor to undertake a digital transformation strategy. These drivers are numerous and the first of them is competition. Indeed, the emergence of Online Travel Agencies, or OTAs such as Booking, or Expedia became a major problem for hotel chains.

*“The starting point was the taking of market shares from intermediaries that we also call OTAs that are the Online Travel Agencies. The most renowned being Booking.com and Expedia with a growing market share.” – Interviewee B*

In a past interview, Accor’s CEO, Sebastien Bazin, explained that these new digital players act as proxies between the hotel and the customer in the distribution process and tend to drive prices down while taking a 10% to 20% commission on each room reservation, therefore, reducing the margins of hotels and the direct interaction of the hotel with its customers. He also stated that the part of reservations in hotels of the Accor group made through their direct channels was only 40% when the part of reservations going through the Online Travel Agencies rose to 60% **[Appendix J – Accor aims to regain power from OTAs];**

*“Right now, hotels are heavily challenged by these OTAs who gather more and more market share in distribution and take fees on reservations that can vary between 10% and 15%. It applies to all the hotel brands and their margins are reduced because parts from the revenue on each reservation goes to the distributor.” – Interviewee A*

Another threat came from the rise of the sharing economy and the “Uberization” of means of consumption; and especially from private rental platforms such as Airbnb. These companies do not have any structural costs related to hotel management, their distribution systems are entirely digitalised and deviate B2C customers from Accor’s brands.

*“The more distant threat from Airbnb or private rental companies must be added the OTAs because they can likely take B2C clients from us that could go in a hotel.” – Interviewee D*

However, Airbnb is considered a more distant threat than the Online Travel Agencies because if Airbnb targets the same markets as Accor, their services differ; whereas OTAs systematically take a fee on Accor’s reservations.

Additionally, while being challenged by its competitors, Accor was also challenged by its customers; their needs and expectations evolved, and their means of consumption also got more digitalised.

*“We are challenged by the other players, but the customer is also evolving. His expectations have changed and is far more digitalised than before.” – Interviewee A*

At this moment, Accor realised its digital experience was not as good as it should be and that it was lagging behind on the IT part of their distribution systems. From this came the thought that a digital transformation could bring more business, speed, fluidity and help the company to move towards an even greater customer satisfaction.

*“We made the observation that the Digital experience of Accor was not good enough.” – Interviewee B*

The reasons why Accor chose to implement a digital transformation strategy are various. The main one was the external competition and the rise of purely digital player such as Online Travel Agencies or Airbnb; but also realizing the potential business opportunities that could result from it.

Additionally, by looking at the Porter’s Five Forces analysis made by Cheng in the hotel industry, we can see that the previously highlighted threats can be included in several of these forces driving competition (David S. Y. Cheng, 2013).

Indeed, according to Cheng, capital costs incurred in the hotel industry are so important that major groups should not be **threatened by new entrants** (David S. Y. Cheng, 2013). Therefore, Accor should not be threatened at all. It is already well-established across the world, especially in Europe where it leads the market and owns hotel brands operating from economy hospitality (Ibis, Novotel) to luxury (Sofitel, Raffles). Additionally, since their brand image is already well-developed, they do not have to own the brick and mortar anymore. Hotel owners create a partnership with the group and choose to operate under one of Accor’s brands against a fee. However, new private rental companies such as Airbnb became a real threat for hotels because they do not have any infrastructure costs and act as a proxy between customers and private owners, therefore, deviating the business from hotels.

Moreover, Cheng explains that digital tools increased the **bargaining power of buyers** (David S. Y. Cheng, 2013). Online Travel Agencies such as are a way for the customers to drive the prices of the hotels down and reduce their margins. Additionally, the rise of the sharing economy with platforms like Airbnb provides more offers at eventually cheaper prices than hotels. The choice by a customer to use one of these platforms dramatically increases the bargaining power of buyers regarding hotels.

Accor is also under a **threat of substitute**. Indeed, Cheng thought that hotels’ substitutes were very few because they offer all sorts of prices and services and target different audiences. However, online private rental platforms such as Airbnb are also a potential substitute to traditional hotels because they deviate the business from hotels and now operate in all ranges of prices and services as well.

From these reasons, goals and objectives were set. Most of these objectives were financially oriented and not directly linked to digital transformation itself for the simple reason that there are so many aspects to it that it would be impossible to judge it as a whole. The main objective of Accor, which is part of its corporate strategy is the maximisation of its revenue.

By taking a 10% to 20% commission on each reservation, the Online Travel Agencies constitute a major problem their revenue maximisation; therefore, Accor aimed to reduce the market shares of OTAs and increase the conversion rates of its direct channels such as its website or its mobile application. In 2014, Accor's CEO, Sébastien Bazin, stated that the company aimed to reverse the 40% - 60% ratio that was favourable to OTAs regarding reservations in their hotels. (**Appendix J – Accor aims to regain power from OTAs**)

*“We wanted to get market shares back on our direct web channels.”* – Interviewee E

*“We aimed to increase our conversion rates and therefore what we call our direct revenues. It means the revenue directly generated by Accor and its website and applications.”* – Interviewee C

Additionally, smaller objectives were also set. They are usually set by project and not as an absolute objective for the group. However, these secondary objectives are a way to contribute to the achievement of the company's main business goals.

*“We also had smaller objectives regarding technical performances and customer satisfaction, knowing that these smaller objectives contributed to lead our business to the expected level and thus to reach our main business objective. These smaller objectives were considered secondary.”*  
– Interviewee B

For instance, the new loyalty program of the company, ALL (Accor Live Limitless) aims to increase the contribution rates of the group's members and therefore, increase the conversion rates of its direct channels; creating a link between projects and the main business objective: revenue maximisation.

#### 4.2.2 *Digital transformation implementation*

### **2014 Digital Plan : (Appendix H - Accor leading digital hospitality presentation)**

In 2014, launched a massive and ambitious 5-year digital transformation plan; for a total investment of €225m.

*“It was launched at the end of 2014 for a total investment of €225M on a period of five years.”* – Interviewee B

This plan was a macro-project that aimed to reinvent the customer experience and hotel operations through digital technology. This plan revolved around eight subsets, oriented towards increasing customer loyalty and IT transformation:

1. **MOBILE FIRST:** Accor realised that its customers were more and more connected on their mobile devices like smartphones and tablets, and that the booking process had migrated on these devices as well. The “Mobile First” project aimed to develop a single mobile application that would incorporate and gather all Accor services before, during and after the customer’s stay in one of Accor’s hotels. It also aimed to become a booking platform for the restaurants of the group.

*“The definition of a macro-program with subsets. One of these subsets was the reach a satisfactory mobile experience. Within the program, a project called “Mobile First” was developed” – Interviewee B*

2. **CUSTOMER CENTRIC:** Accor saw the potential of personalization of the customer’s experience. Therefore, it had to develop massive databases, gathering information about the customer, which kind of hotel he stays in, but also the history of his stay, what he likes, his preferences, his consumption. This information is gathered and centralised on a single platform. Today, this project has translated in the Accor Customer Digital Card (ACDC), a GDPR compliant, centralised database containing the customer’s life within the Accor group. This card is shared amongst all the group’s hotels and allows hotel staffs to personalise the customer’s stay to increase its satisfaction.
3. **SEAMLESS JOURNEY:** The seamless journey aimed to ensure the convenience of the customer at all stages of their stay in the group. It included the development of online payment solutions, one-click booking, online check-in, but also the virtualisation of the Accor loyalty card.
4. **MICE & BtoB:** This subset aimed to develop digital tools for business, embedding solutions such as online booking for seminar facilities or meetings. It also aimed to make business to business solutions available on the Accor website.
5. **EMPLOYEE FRIENDLY:** This subset aimed to make Accor’s employees more connected. Online training solutions were developed, it was also made easier for employees to use their own digital devices such as their smartphones to achieve their day-to-day tasks. PMS, Property Management Systems, that hotels use to manage reservations or room attribution were made available on mobile phones and tablets.

6. **OWNER & FRANCHISE CENTRIC:** This program aimed to increase the transparency and efficiency between Accor and its partners. Indeed, since Accor does not own the brick and mortar of its hotels anymore, it mainly relies on partnerships and franchising by bringing hotel owners to operate under one of their brands. (**Appendix H - Successful completion of the asset-light roadmap**) By providing comprehensive dynamic pricing and revenue management solutions, a dedicated portal for owners to access relevant information but also an end-to-end billing service to ease the fee-paying process between Accor and its partners.
7. **INFRASTRUCTURE TRANSFORMATION:** This program focused on the optimisation of the company's systems in order to keep pace with the increase of transaction volumes, but also to reduce the time to market by implementing a proxy platform between the different distribution applications.
8. **BI & ANALYTICS:** This program aimed to ensure that business and operational decisions were increasingly based on the analysis of collected data and key performance indicators. It aimed to make hotels drive their business regarding to these key indicators and aggregated data.

This huge digital transformation plan ended in 2018 and allowed Accor to set the basis of an even wider transformation. The year following the beginning of the implementation of this plan, Accor experienced an increase of more than 10% in EBIT and more than 9% in net profit. The company states that these good numbers are direct results from the transformation plan. (**Appendix H - Excellent 2015 results reflecting the benefits of the transformation plan**). However, it was not seen as a very agile plan and it led Accor to transform even more and, change towards a more agility and a product-oriented organisation.

*"By this, I mean that it was not agile at all."* - [Interviewee D](#)

*"We made a big diagnosis and a reorganisation followed with the product organisation"*- [Interviewee D](#)

## **Organisation:**

Since 2018, Accor saw that its products became more and more central. The conducted interviews show that, the company decided to re-organise itself around its products by creating a Product Department. This transformation saw the evolution of the teams and processes towards more agility. This Product Department is digitally oriented, where product owners assume leadership and where

there is a strong interaction, collaboration and coordination with IT teams and other departments concerned by a given product. These more agile teams are called “Feature Teams”.

*“For instance, the teams evolved. We already had Business teams, but we completed them with Product and IT teams. We aimed to become service providers and to work as Feature Teams, and towards agility.” – Interviewee F*

These teams work in short cycles, their number of sprints is increased, as the number of deliveries and tests before each project is launched. Additionally, their priorities are well defined and structured and constantly influenced by key performance indicators. The focus and priorities evolve regarding these indicators and the group completely stopped launching several years plans and projects. This new organisation allows the teams to focus on the development of what works and of what has potential and to stop or re-orient a project when key indicators are not as good as expected.

*“Today, transformation as we understand it in Accor is to transform our processes, be oriented by the value of targeted KPIs with short cycles to create value faster and if necessary, change our plans or investments regarding what works and drop what does not.” – Interviewee D*

However, this organisational transformation had to come with a cultural transformation and a big effort was put on the evolution of mindsets. The company brought consultants and coaches to work on the employees’ mindset and to push internal communication to promote these digital and organisational transformations. The technical aspect of transformation was not considered the more challenging, however, changing the way employees think in a massive multi-layer environment was.

*“We also had a whole phase of cultural transformation because the hard part is not the technological implementation or to start working in an agile way rather than in a V-Model, but it is really to change the mindsets within the company. You know, within these big groups it is a bit like public administration, there are many layers and changing the mindsets is really the big issue, and that to be said, it is not complete in Accor.” – Interviewee F*

To pursue its efforts towards cultural transformation, Accor has developed its own, small, team which’s mission is to ease the transformation process of all the departments of the group.

In 2018, Accor’s CDO, Maud Bailly, supported the importance of cultural transformation to obtain a more agile organisation. *“This includes reducing the number of layers in the organization but also introducing a culture where we constantly test and learn, collect real-time feedback and develop*

*partnerships with all types of companies, from Asian tech giants to French start-ups.” – Maud Bailly (Appendix I - 6 ways AccorHotels is transforming its digital strategy).*

## **New Industries and sectors:**

Accor’s main industry remains hospitality and its main objective is to sell hotel rooms. However, the group chose to diversify its offer by developing partnerships or by acquiring companies operating in other sectors. Digital transformation is seen as the cornerstone of these offers. This digital transformation is supposed to be an entry point to create partnerships so that Accor can become a sort of marketplace of experience as a whole”. These acquisitions are various, and all propose digital services.

Accor acquired John Paul, the world leader in concierge services which allow the group to operate in this industry. John Paul is also a digital brand because their services can be books digitally and share massive customer databases. **(Appendix H - AccorHotels finalizes acquisition of John Paul, the world leader in the concierge market)**

The group also created D-Edge (AccorHotels, 2020c), formed by the fusion of two acquired companies, FastBooking and AvailPro. The first one offered digital reservation platforms and solutions for independent hotels while the second was a leading software provider for hoteliers. D-Edge now operates as the group’s internal digital agency, it has the capacity to create made-to-measure websites when a customer requires it, but also to provide a centralised reservation system and data intelligence solutions such as price monitoring, price recommendations or performance analytics **(Appendix H - Accor accelerates its digital strategy by taking over FASTBOOKING).**

To remain in the hotel industry, Accor acquired Gekko and VeryChic. Gekko is a European hotel booking platform counting more than a million hotels in its database. VeryChic is a platform offering flash sales of luxury hotel trips. The acquisition of these tools is a direct way to tackle the Online Travel Agencies and take distribution market shares back from them.

**(Appendix H - AccorHotels signs an agreement to acquire Gekko, the specialist in hotel distribution solutions for business travelers);**

**(Appendix H - AccorHotels acquires VeryChic, a European leader in the private sale of luxury and upscale hotel rooms and breaks);**

*“We acquired a company called VeryChic that does online private sales of travels that works very well. We acquired B2B companies that provide services to hotels call D-Edge and Gekko that give us complementary revenue streams.” – Interviewee D*

Additionally, since restaurants constitute a significant part of Accor’s business, the group acquired ResDiary, a restaurant reservation and table management platform. **(Appendix H - AccorHotels acquires ResDiary, a leading platform for restaurant reservation & table management)**

Accor also entered the coworking industry by developing Wojo, formerly Nextdoor, and Mama Works, companies offering workspaces inside of Accor’s hotels whether they are economy, midscale, or luxury hotels. **(Appendix H - Nextdoor aims to be the European leader in new collaborative workspaces)**

Finally, Accor entered the private rental industry by acquiring OneFineStay, a company specialised in luxury private rental, offering houses, villas, and apartments all over the world. This acquisition is a direct way for the group to compete with Airbnb and to crop their market shares on luxury rental. **(Appendix H - AccorHotels becomes a world leader in the luxury Serviced Homes market by acquiring onefinestay)**

*“In Accor’s ecosystem’s logic, the group reinforced itself by acquiring brands. An example of this would be D-Edge, formerly Fastbooking which proposes online booking platforms for independent hotels. This company now operates as the group’s internal digital agency with the capacity to create made-to-measure websites when we require it. Others company were acquired such as Resdiary which allows the customer to book a table in a restaurant.” – Interviewee B*

Even if Accor did not enter purely digital sectors and industries, and if the companies it acquired through the years are still linked in some way to the hospitality or the services sector, they all embed a digital component. They may not all be digital services, but their distribution and promotion are digitalised and enjoy the use of Accor’s databases and own digital services.

### **New skills and competencies:**

The conducted interviews shoed that along the digital transformation process, new skills, competencies, and forms of knowledge were needed inside the group. The digital acquisition, user

experience expertise and also data collection, analysis and business intelligence were sectors where Accor needed to reinforce itself.

*“We had to heavily invest in everything related to data.” – Interviewee A*

When this reinforcement started, Accor relied mostly on consulting firms who already had significant knowledge on the desired areas and could provide the right person at the right time and with the right set of skills.

*“At the beginning, many people in the companies were consultants. Data scientists were not exactly data-scientist. They became data-scientist when the area developed.” – Interviewee F*

However, Accor has recently decided that it would be a better idea to internalise its development and therefore to recruit internally and train employees who are already part of the group or to hire permanently rather than relying on consultants. For the simple reason that consultants might have a long range of expertise but they are only part of the company for a short period of time and lack vision and commitment on the projects because they do not necessarily understand everything that is at stake for the group. Currently, all the developments are not internalised, and Accor still relies on consultants.

*“Currently, all the developments are not internalised, and Accor still relies on consultants” – Interviewee B*

The most significant new set of skills that was developed concerned the collection and treatment of data. Indeed, Accor benefits greatly from these data. The group collects several types, amongst them, internal data. These internal data contain information about reservations, information about the customers' stays, such as their consumptions, and finally guest information, containing the customers' life within the group. Operating data are also gathered to forecast and optimise prices.

*“Operating data: in this business, forecasting is very important. An efficient forecasting will allow us to optimise our distribution costs but also our prices” – Interviewee B*

*“On all the digital aspects, we had to reinforce ourselves. Whether it is on the user experience of our systems, acquisition, internalisation of developments (even though it is not yet the case), but also on data collection and analysis, in order to collect the right data and improve our offer.” – Interviewee B*

External data are mainly benchmarking information such as the way competitors behave, their revenue per room, prices, search indexes on digital platforms like Google or on Online Travel

Agencies to see how Accor is ranked regarding Marriot or Hilton, amongst others. All of these benchmarking data are the basis on which Accor shapes its pricing policy to maximise its revenues.

*“All this information is used in the revenue management part to influence our pricing policy and optimise our revenue.” – Interviewee A*

### **ALL - A new loyalty system:**

In 2019, Accor launched its new loyalty program, ALL – Accor Live Limitless. (**Appendix H - Unveils new lifestyle loyalty program**) According to Interviewee B, on average, an Accor customer would interact with the group only once or twice a year, therefore, the aim of the ALL project is to multiply the interaction points between Accor and its customers in different sectors to increase the frequency of usage and interactions with the brand.

*“There was the launching of our new loyalty program, “ALL – Accor Live Limitless” in December 2019. The intention of this program is to multiply the interactions between Accor and its customers. On average, an Accor customer interacts with the group once or twice a year.” – Interviewee B*

The interviews showed that ALL is entirely merged with the group’s website and mobile application, it is a digital platform that offers a gate to all the benefits, advantages, services, and experiences Accor can provide that aims to redefine how the group interacts with its customers. It is also a way for the group to broaden its partnerships with other companies and for its customers to earn not only Accor loyalty points but also partners loyalty points and, most importantly, to be able to spend them.

*“They would earn points in Accor and in the partners and be able to spend them. We want them to be able to access on a single platform (ALL), where the partners would almost be invisible, and we would offer a service in the name of ALL. So, our digital transformation was the entry point for all these partnerships.” – Interviewee C*

Amongst the different partnerships, we can find Airlines like Air France in France, where Accor’s customers can benefit from advantages and reciprocally. (**Appendix H - Air France-KLM and Accor announce new enhanced loyalty program partnership with more rewards for their joint customers**)

There is also a partnership with VISA, to create a co-branded card where the owner will accumulate ALL loyalty points each time, he makes use of his credit card. **(Appendix H - Accor and Visa form global partnership)**

ALL is a marketplace of experience gathering all of Accor's services and partnerships. The more points a member earns, the more advantages he can get and might even access exclusivities such as being invited to a concert or a football game, since ALL is now the principal jersey partner of PSG – Paris St Germain, Paris' professional football club.

**(Appendix H - ALL, Accor's new lifestyle loyalty program, becomes Principal Partner and jersey sponsor of Paris Saint-Germain Football Club)**

ALL – Accor Live Limitless was a significant investment on Accor's digital assets such as its website and mobile app and was promoted with a powerful communication. Thanks to this project, Accor aims to increase the contribution rate of its members and to increase the numbers of reservations from Accor's direct channels rather than through Online Travel Agencies. The project also came with very clear objectives for 2022. It aims to increase the members satisfaction (from 82% to 85%), increase the revenue through direct channels by 9%, increase the loyalty contribution of its members from 31% to 40% and increase the revenue generated through partnerships such as Air France or Europcar from €5m to €100m. **(Appendix G)**

This ambitious digital project is the cornerstone of Accor's differentiation to take market shares back from Online Travel Agencies.

*"It was another significant investment on a digital asset, web and mobile with a huge communication. We hope to be able to get even more market shares back."* – Interviewee E

#### 4.2.3 Impacts and results

Through the different steps of its digital transformation process, Accor experienced different results. The four-year plan initiated in 2014 allowed Accor to experience short term good returns and to evolve and lay the foundations of a broader transformation. **(Appendix H - Excellent 2015 results reflecting the benefits of the transformation plan)**. The conducted interviews showed that, by developing feature teams and short-cycle projects directly influenced by key performance indicators, digital transformation brought more efficiency and agility in the company's organisation and processes.

This digital transformation process also allowed Accor to develop new sectors, especially thanks to the acquisition of digital companies that now take advantage of Accor's network. These acquired companies in sectors such as private rental, digital services, concierge services or coworking are labelled by Accor as "New Businesses" and in 2019, their contribution to the group's revenues reached €159m, an increase of €10m compared to 2018 (**Appendix H - Full-Year 2019 Results presentation**).

Additionally, key competencies and skills were acquired or developed by the group, especially in digital marketing, and Interviewee E states showed the conversion rates of acquisition channels (Search, Metasearch, Display/Paid Social) increased from 3% to 5% after a short drop.

*"Once it had been done, the conversion rate that was around 3%-4% dropped because we lost the history of some of our campaigns and Google penalised us on this and thus, the click and conversion rates decreased. However, once the ecosystem had fully been developed and the campaigns had been reactivated, the website stabilised, we saw an increase in terms of reservations. Right now, we are at a bit more than 5%" – Interviewee E*

It means that for a hundred clicks, five of them resulted in a reservation. These skills were also pushed in data analysis and allow the group to gather different types of data to maximise its revenue and set its pricing policies.

The overall website and mobile application conversion rate, which was not precisely disclosed because considered a sensitive information still experienced a 15% increase per year since 2018 and the group's digital assets experienced a superior growth than the Online Travel Agencies, allowing Accor to bring back their direct distribution to 50%. Thus, meeting the principal goal of digital transformation in the group, reducing the market share of Online Travel Agencies.

*"On the last two years, conversion rates increased by 15% per year. It was a good rate and we are aiming to double our revenue and develop our member's base and therefore, our loyalty contribution, to know how much our loyalty program weighs in our revenue." – Interviewee C*

ALL – Accor Live Limitless, the group's new loyalty program experienced a strong start and returns on the website and mobile application were satisfying. However, the COVID-19 crisis completely stopped the activity of most hotels for three months, therefore, Accor did not experience the return on investment it expected when launching this new project. The group also expects hotel affluence to go back to normal at a very slow pace and had to reduce its investments of €60m. (**Appendix H - Trading Update & response to Covid 19**) Additionally, because of COVID-19 crisis, Accor lost €917m in

revenue at the end of 2020's first half, a loss of 48.8% compared to the previous year. (**Appendix H - 2020 First-half results presentation**)

*“We launched this big digital loyalty program, ALL, internally in early December and globally at the end of January. We were really at the beginnings and the COVID-crisis really stopped us.” – Interviewee C*

Estimating and quantifying the exact part of digital transformation in the revenue of the group is almost impossible because it would take too many parameters into consideration. The group prefers to evaluate the profitability of projects or to look at the overall revenue increase, even to judge the efficiency of its digital transformation strategy. And by taking this bias, Accor is experiencing very good returns. Indeed, at the end of 2019, the group's revenue had increased to €4.49 billion, an increase of 16% and an increase of its EBITDA of 14%, up to €825 million (**Appendix H - Full-Year 2019 Results presentation**).

#### 4.2.4 *Maintained competitiveness?*

In the previous industry analysis made by Cheng (David S. Y. Cheng, 2013), it was highlighted that companies of the standard hospitality industry faced several challenges, mostly related to private rental platforms and Online Travel Agencies. Thanks to the findings of the present research about the way digital transformation was implemented inside Accor and about the results the company experienced, it can be established if Accor amended these challenges and if its transformation resulted in a sustained competitiveness.

By looking at the previous competition analysis, it arose that the main challenge that Accor faced regarding new entrants came from private rental platforms such as Airbnb. Thanks to its acquisitions of digital services, especially OneFineStay, Accor is now able to compete directly against these platforms and take market shares from them on the luxury market. Additionally, the brand recognition the company enjoys, allows it to sign contracts with smaller local hotels for them to operate under the name of one of the group's brands. Therefore, amending a potential threat of new entrants.

The only threat from suppliers could come from the company's employees. Thanks to digital transformation, the organisation of teams changed and moved towards more agility and flexibility. This new organisation based on constant KPI analysis, allows employees to focus on what works and

to stop what does not. Therefore, ending the frustration that could occur if a several years project failed. Additionally, the will of the company to accompany its employees by undertaking a cultural transformation at the same time is a way to help them understand the benefits this new organisation. **(Appendix I - 6 ways AccorHotels is transforming its digital strategy)**.

Additionally, as the needs and desires of customers evolved, both in terms of price and in terms of services, Accor had to adapt. Since Online Travel Agencies such as Booking tend to drive the prices down and take high commissions, Accor had to react. By investing heavily on its digital assets such as its website and mobile application, but also on its digital acquisition channels, helped the group to bring back OTA's market shares to fifty percent on their direct channels, with an increasing conversion rate **(Appendix E)**.

The only serious substitute to the hotel industry is private rental platforms and Accor amended their threat by acquiring OneFineStay to compete directly against them. **(Appendix H - AccorHotels becomes a world leader in the luxury Serviced Homes market by acquiring onefinestay)** Additionally, thanks to many acquisitions, Accor now plays in different sectors, from concierge services to digital services and even online booking, which allow it to diversify its activity and then alter the threats of potential substitutes by offering more services.

With a fierce competition in the industry, hotel groups have to either expand by acquiring brands in their competitors' markets or develop their brand image, products, and services. For instance, Accor acquires hotels in the United States to gain market shares from Hilton or Marriott since they are not leader on the American market **(Appendix A)**.

*"In Europe, we are not really challenged. In the United States, we grew through acquisitions. There is a real consolidation tendency in the industry, it means that most companies will grow but through acquisitions rather than through the development of their own products. Accor does it, but the Americans as well."* – [Interviewee A](#)

On the other side, Accor heavily invested on its brand image and its offer of services, especially with its new digital loyalty program, ALL – Accor Live Limitless. This program not only allow them to show all the group's offers, but also to make members earn loyalty points thanks to many partnerships or offer new experiences to their clients. Thanks to it, Accor wishes to play as a provider of experience, rather than as a standard hotel chain that only as a standard hotel chain that provides bedrooms for a night **(Appendix C)**.

This new analyse of Porter's Five Forces considering how Accor amends the threats it faces show us that the implementation of a digital transformation strategy was a necessity for the company to

remain competitive in its industry. But there is also an opportunity cost aspect to digital transformation and what would have happened if it had not been implemented. Even though the effects of digital transformation are difficult to quantify and estimate, it is seen as a must-have without which the company would experience a dramatic loss in terms of business and revenue.

*“Digital penetrated the industry to such an advanced level that I cannot even imagine a situation where we would not even have a website.” – Interviewee A*

The business subtlety within Accor lies in whether the business is direct or if third parties such as are involved. Direct business is symbolised by the group’s website and mobile application and third parties Online Travel Agencies. If business involves third parties, commissions have to be paid, therefore, the distribution cost increases, resulting in a loss in revenue. With a higher distribution cost, customer acquisition and retention become more expensive and the only way to change it is to favour the group’s direct channels. Doing so is the best way to capture clients and store them in Accor’s databases, to generate Customer Lifetime Value, whereby coming back, the client’s cost of acquisition is smoothed in the number of times he stays in an Accor hotel (**Appendix B**).

*“If we had not implemented a digital strategy, it would have resulted in a larger market share for partners and our acquisition and retention costs would have increased dramatically on mid and long term.” – Interviewee B*

Since Accor’s direct business now represents fifty percent of its revenue, if the group had not undertaken a digital transformation strategy to push its digital assets like its website or its mobile app, it could have possibly lost a significant part of its business or left it to the Online Travel Agencies, resulting in higher costs. Additionally, Accor would not have been able to develop partnerships with or acquire companies that were already digitalised. Not only would it have resulted in a loss in business but also in reputation. \*

*“If it had not been done, we would be in the Top 100, if you consider marketing, our customers and even our reputation. Imagine our clients seeing that they cannot book online. A CAC40 company like Accor that does not digitally transform would necessarily go out of business.” – Interviewee F*

However, it is unlikely that the changes that occurred, the acquired skills and competencies are sustainable without questioning and challenging them all the time. Technology is always moving and evolving, therefore, thinking that what a company has now is enough would be a grave mistake for its future.

*“Digital transformation is a never-ending process. Therefore, we have to unlock funds every year.” –*

Interviewee F

The company must be in perpetual transformation and searching for the best practices, tools, and ways to capture business.

### **4.3 Discussion**

When looking for the reasons that led Accor to undertake a digital transformation strategy, the research outlined the importance of the rise of new digital players such as Online Travel Agencies like Booking.com and private rental platforms such as Airbnb. Surprisingly, the other major players of the hospitality industry such as Marriott or Hilton were seen as secondary threats because evolving in their own native markets.

It could have been expected that the objectives set to amend these problems would be digital. However, the goals Accor set to implement its digital transformation were business oriented, because quantifying and measuring the impact of digital transformation with precision is extremely complicated because it affects too many aspects of a business and considers parameters that are specific to the targeted company or industry. It allows us to question the findings we obtained.

This strategy was implemented in several steps. First an ambitious €225m plan that set the foundations of further transformations. But also, an organisational and cultural transformation, aiming both to change the working processes and the mindsets of the employees and executives. Regarding the size of the company and the fact that digital is not its core industry, these changes might take years.

Nonetheless, Accor experienced good returns thanks to digital transformation. Its digital assets growth was more important than the growth of Online Travel Agencies and that their conversion rates increased by 15% per year over the past two years. However, there are two ways to look at these findings. It could be interpreted by thinking that Accor was very good in the implementation of digital transformation and took advantage of all the tools and channels it could and that it resulted in a high growth and in taking back market shares from the Online Travel Agencies. Or it could be interpreted as a period where Accor was lagging behind its competitors on the digital aspects of business and had to catch up; putting all its efforts on digital transformation and experiencing a high growth before possibly experiencing a stagnation or a slower growth in the following years.

Additionally, to amend the threat of Airbnb on the luxury market, Accor acquired OneFineStay. But this acquisition is only amending one part of the problem posed by private rental platforms; indeed, the luxury market is only a small part of the hospitality industry, therefore, Accor will still have to amend the threat of private rental platforms on the economy and midscale markets.

Accor wishes to become a provider of experience by gathering all its services and partnerships on its new online loyalty program, ALL – Accor Live Limitless. The project was launched in December 2019 and experienced good first returns, however, the COVID-19 crisis froze the project. As return to normal in the hotel in the industry might be slow, the project will also take time to become successful. This could be a major problem for Accor, which made ALL the cornerstone of its differentiation in the following years. Accor is also not protected against its traditional competitors implementing a similar program.

Judging if the digital transformation process has been successful is also very subjective for the company that implements it. The way it was implemented or the effects and results the company obtained might not suit a company of another industry. Therefore, the findings would not necessarily apply to a business operating in another industry.

#### **4.4 Conclusion**

The research process aimed to demonstrate the implementation of a digital transformation strategy in a hotel group, Accor, is a necessity to remain competitive.

Several reasons let Accor to undertake such a strategy. The was threatened in its industry by online private rental platforms such as Airbnb which deviated clients away from the company and by Online Travel Agencies that reduced the group's margins by taking important commissions.

Following the acknowledgement of the threats, goals were set for the new transformation project. The main goals of the company were to amend these threats, mostly by increasing the company's conversion rate on its direct channels and to increase its revenue thanks to a better digital experience and an enhanced customer satisfaction.

In order to face these problems and reach these goals, Accor launched a €225m four-year plan aiming to digitally transform the group, its processes, its organisation and to increase its digital experience.

New ways to capture value arose for Accor, new skills, new activity sectors and an ambitious loyalty project. The group recruited in new key areas like digital business and data analytics and aims to internalise its developments in the near future. In the meantime, Accor proceeded to the acquisition of digital companies in sectors revolving around the hospitality industry, such as concierge services, digital services, private rental, and hotel booking while also broadening its partnerships. All these services are available through ALL – Accor Live Limitless, Accor’s new digital loyalty program which aims to become Accor’s main asset.

This digital transformation strategy had several results. First, it allowed Accor to transform itself towards a more agile organisation and gather more expertise in key departments. Thanks to its acquisitions, it is now able to compete against private rentals platforms on the luxury market and to broaden its offers in other sectors. Moreover, the heavy investments on the website and mobile app of the group allowed the company to bring back the Online Travel Agencies’ market shares to 50% of their direct channels, and therefore increased the company’s overall revenue.

On the other side, if Accor had not implemented this strategy, it would have significantly impacted its business, since its direct channels (website and mobile app) now represent 50% of its revenue. It would also have had difficulties to communicate with and implement its partners solutions. And finally, it would have been unable to implement ALL – Accor Live Limitless, its new loyalty program regrouping all of its offer and which aims to be the cornerstone of its differentiation in the future.

This research can be concluded by saying that, the implementation of a digital transformation strategy was a necessity for Accor in order to remain competitive in its industry; and that to compete in the hotel industry it becomes a necessity for all the different players. However, sustaining this competitiveness would require permanent efforts, investments, and continuous change.

## **5 Concluding Thoughts on the Contribution of this Research, its Limitations and Suggestions for Further Research**

### **5.1 Implications of Findings for the Research Questions**

Throughout the research process, the objective goal was to demonstrate that the implementation of a digital transformation strategy in a hotel group, Accor, is a necessity in order to remain competitive in its industry. It was achieved by outlining the different drivers and reasons that led the company to undertake a digital transformation, how it implemented it, and how it helped the group achieve its

objectives. It was also demonstrated that digital transformation was not only about technology but about a complete change in the way the organisation does business and delivers value to its clients as Kane suggested it (Kane, 2019). The outcome of our study has several implications.

This study implies several things for the studied company. Indeed, this study acts as a reflection of the way Accor chose to implement its digital transformation strategy to fulfil its objectives. The findings could be a way for the company to assess what worked and what did not in the transformation process to determine where it could be more efficient or identify new areas where it could change.

This study also has implications for companies of the hotel industry wishing to develop a digital transformation industry. The present report highlights the way a major and successful company of the industry challenged the problems it was facing and how it chose to solve them. The path chosen by Accor and the ways it chose to develop its activity could act as a guideline or at least as an inspiration for other companies of the industry with similar resources.

Additionally, there are also theoretical implications in our study. Indeed, not only did this research demonstrate that the implementation of a digital transformation strategy was an imperative to remain competitive in the hotel industry; but it was also highlighted the different digital threats a hotel group faces; from Online Travel Agencies to online private rental platforms. A demonstration of the importance of organisational transformation was made and confirmed Kane's suggestions on the importance of cultural transformation to accompany the process. Furthermore, the different sectors a company could develop in and key skills it should acquire to take advantage of all the business possibilities of the industry were detailed.

## **5.2 Contributions and Limitations of the Research**

In addition to the practical implications expressed above, this study also contributes to literature by bringing a precise view on the implementation of a digital transformation strategy within a major company of the hotel industry. Indeed, most literature focuses on the potential aspects of digital transformation and its difficulty to implement and define.

Our study provides a description of how digital transformation is led in a specific company and in a specific industry; therefore, contextualising the aspects of digital transformation already developed in other pieces of literature and confirming them.

The present study also highlights that the company that wishes to implement such a strategy must keep in mind that it is a necessity in order to remain competitive. Otherwise a significant part of the business generated on the direct channels or thanks to the loyalty of members might be captured by competitors. However, to sustain this competitiveness, digital transformation will require a large amount of resources and it is important to understand that it is a never-ending process because of constant technology evolution. It will require constant investments and self-questioning from the group.

Our study also has its limitations. Since the effects and success of digital transformation are extremely difficult to quantify in the results of a company, we had to rely mostly on key performance indicators such as the company's revenue and conversion rate on its direct channels. There are also limitations in the conduct of the study. Indeed, it only considers companies of the hotel industry with an important amount of resources. To effectively assess the implication of digital transformation on the competitiveness of companies of this industry, an analyse of several groups of different size would be more interesting to determine if they have been successful or not and ultimately assessing whether or not it was a necessity.

### **5.3 Recommendations for Practice**

The fact that digital transformation is difficult to define and that its parameters change regarding the company or the industry make the expression of clear guidelines and policies almost impossible. However, the study of Accor's digital transformation allows us to express guidelines for companies of the same size, having the same amount of resources and evolving in the hotel industry. This study allowed us to see that an effective digital transformation in this industry would imply several parameters.

1. An effective use of the digital assets of the group, such as its websites or mobile applications, in order to capture more revenue thanks to their direct channels.
2. A reorganisation of the group's infrastructure and organisation towards more agility and flexibility. This reorganisation would bring more effectiveness in the working processes and during the development of projects.
3. The acquisition of new skills and competencies, especially in data analysis to take advantage of the possibilities they offer in terms of revenue management, benchmarking, forecasting and price setting.
4. An effective partnership and acquisition policy to acquire digital businesses in sectors related to services revolving the hotel industry. This would allow the group to broaden its offer and compete against companies offering substitutes or complementary services. By gathering all these offers on a single heavily promoted digital platform, the group would increase its brand image and increase its clients' loyalty.

A company of the industry wishing to implement a digital transformation strategy would necessarily have to implement one or several of these elements. However, it would depend on its long-term objectives and development goals.

#### **5.4 Recommendations for Future Research**

Even though we have demonstrated the necessity to of digital transformation remain competitive in the hotel industry, there are many ways this study could be broadened, pursued, precise or complemented.

The first way to pursue this study would be to go deeper in the analyse of the company, by not only taking into account the macro indicators of the group but also by going in each department and determine how digital transformation changed their way to work, what benefits or disadvantages resulted from it and the level of digitalisation in the department; and conduct surveys in these departments to assess the level of satisfaction regarding transformation and if employees deemed it a necessity. The survey logic could be extended to the members of the group and we could ask them if they are satisfied of the new digital offers of the group and if the estimated they could have gone in another other hotel group if Accor had not digitally evolved.

Another way to expand the research would be to apply it to several companies ranked regarding their level of development. For instance, take three companies of the Top 10 such as Hilton, Marriott, and Accor; then three companies of the Top 50 and finally three companies of the Top100. It would allow us to assess whether or not digital transformation has an impact on companies of all sizes and if yes, to determine if the degree to which the company evolved and how much market shares it gained. Doing so would broaden our perspectives; indeed, in our original study, we only interviewed executives operating within Accor and gathered literatures concerning Accor. However, by analysing different companies of different sizes in the industry; we could discover more points of view regarding the implementation of digital transformation, its complexity, but also the opportunities it offers at different levels of development.

These additional methods would allow us to obtain a clearer picture of the impact of digital transformation in the overall hotel industry, by analysing several companies evolving in a wide range of geographical or business environments; and with different sets of resources and skills rather than inside a single company with important resources. If we demonstrated the necessity of a digital transformation strategy within a company with significant resources such as Accor, this broader picture would show us at which level digital transformation becomes a necessity for a company and to highlight if reasons, goals, or implementation methods differ from what Accor did.

## **5.5 Final Conclusion and Reflections**

The present research aimed to assess whether or not, undertaking a digital transformation strategy was a necessity for a company to remain competitive in the hotel industry. It highlighted the different reasons for which a company in this industry might wish to transform, whether they are threats or opportunities. Several reasons emerged such as the rise of new types of competitors like Online Travel Agencies. Additionally, it showed the goals pursued through the implementation of such a strategy, amongst which the most important was revenue maximisation. Additionally, it described the process used by the company to develop its digital transformation, which revolved around a new organisation, a massive investment plan, the acquisition of new skills, competencies and entering new markets through acquisitions. Finally, digital transformation became the cornerstone of the new loyalty program of the company by which it aimed to increase its revenues.

After gathering and analysing this information, the research was able to establish that, the digital transformation strategy enabled the group to remain competitive by reaching new markets and changing its organisation. It also showed that the hotel industry is heavily challenged by digital

technologies and new digital competitors, which it must amend with heavy investments if it wants to remain competitive in the business.

## References

AccorHotels. (2020a) *2020 First-Half Results Presentation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/ACCOR-H1-20-results-presentation\\_VF.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/ACCOR-H1-20-results-presentation_VF.pdf).

AccorHotels (2020b) *Accor – Condensed Consolidated Financial Statements and Notes June 30, 2020*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/Plaqueette-semestrielle-30-juin-2020\\_VA.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/Plaqueette-semestrielle-30-juin-2020_VA.pdf).

AccorHotels (2020c) *Accor - Discover D-EDGE*. Available at: <https://group.accor.com/en/brands/business-accelerators/d-edge> (Accessed: 25 August 2020).

AccorHotels (2020d) *Accor - Our Brands*. <https://group.accor.com>. Available at: <https://group.accor.com/en/brands> (Accessed: 25 August 2020).

AccorHotels (2015a) *Accor Accelerates Its Digital Strategy by Taking over FASTBOOKING*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/04/17/cp\\_accor\\_fastbooking\\_avril2015.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/04/17/cp_accor_fastbooking_avril2015.pdf).

AccorHotels (2020e) *Accor and Visa Form Global Partnership*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02/18/PR\\_Accor\\_Visa\\_1801.pdf?la=en&hash=9FA798B73BCF0C7BCB26DB6F31238E44](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02/18/PR_Accor_Visa_1801.pdf?la=en&hash=9FA798B73BCF0C7BCB26DB6F31238E44).

AccorHotels (2019a) *Accor Is Positioned as Global Leader in the Lifestyle Sector*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/03/04/PR\\_Dev\\_040319.pdf?la=en&hash=7ECADA00A20471A9ED6367FE9F34AD9D](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/03/04/PR_Dev_040319.pdf?la=en&hash=7ECADA00A20471A9ED6367FE9F34AD9D).

AccorHotels (2014a) *Accor Launches Its Digital Transformation “Leading Digital Hospitality”*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030\\_cp\\_accor\\_digital\\_day.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030_cp_accor_digital_day.pdf).

AccorHotels (2014b) *Accor Leading Digital Hospitality Presentation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030\\_accor\\_leading\\_digital\\_hospitality\\_presentation.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030_accor_leading_digital_hospitality_presentation.pdf).

AccorHotels (2015b) *AccorHotels Accelerates Its Transformation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/06/03/accorhotels\\_cp\\_pdm\\_20150603\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/06/03/accorhotels_cp_pdm_20150603_fr.pdf).

AccorHotels (2018a) *AccorHotels Acquires ResDiary, a Leading Platform for Restaurant Reservation & Table Management*. Paris Available at: <https://group.accor.com/-/media/Corporate/Investors/Documents->

financiers/2018/04/09/PR\_AccorHotels\_ResDiary\_April2018\_Final.pdf?la=en&hash=8ADCAD4607A24CEF4B2A2A18B7CAA3B6.

AccorHotels (2017a) *AccorHotels Acquires VeryChic, a European Leader in the Private Sale of Luxury and Upscale Hotel Rooms and Breaks.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/04/03/PR\\_AccorHotels\\_VeryChic\\_Avril-2017\\_final\\_170403\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/04/03/PR_AccorHotels_VeryChic_Avril-2017_final_170403_EN.pdf).

AccorHotels (2016a) *AccorHotels Becomes a World Leader in the Luxury Serviced Homes Market by Acquiring Onefinestay.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/04/05/20160405\\_onefinestay\\_vfinal\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/04/05/20160405_onefinestay_vfinal_fr.pdf).

AccorHotels (2017b) *AccorHotels Celebrates Its 50th Anniversary.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/11/15/20171115\\_PR\\_AH-50th-anniversary\\_AccorLocal\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/11/15/20171115_PR_AH-50th-anniversary_AccorLocal_EN.pdf).

AccorHotels (2018b) *AccorHotels Completes the Acquisition of Its Paris Head Office Building.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/10/25/PR\\_AH\\_AcquisitionSequana\\_251018.pdf?la=en&hash=870EE1F649F2E81EFD BAC67D8069BE1E](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/10/25/PR_AH_AcquisitionSequana_251018.pdf?la=en&hash=870EE1F649F2E81EFD BAC67D8069BE1E).

AccorHotels (2016b) *AccorHotels Finalizes Acquisition of John Paul, the World Leader in the Concierge Market.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/11/16/cp\\_accorhotels\\_jpclosing\\_fr\\_nov2016\\_final.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/11/16/cp_accorhotels_jpclosing_fr_nov2016_final.pdf).

AccorHotels (2017c) *AccorHotels Signs an Agreement to Acquire Gekko, the Specialist in Hotel Distribution Solutions for Business Travelers.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/10/02/02102017\\_PR\\_AccorHotels\\_Gekko\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/10/02/02102017_PR_AccorHotels_Gekko_EN.pdf).

AccorHotels (2019b) *Air France-KLM and Accor Announce New Enhanced Loyalty Program Partnership with More Rewards for Their Joint Customers.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/06/20/Accor\\_PR\\_Miles\\_and\\_Points\\_EN.pdf?la=en&hash=5F893EF3C68A6AB74A4A4436B286D7DC](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/06/20/Accor_PR_Miles_and_Points_EN.pdf?la=en&hash=5F893EF3C68A6AB74A4A4436B286D7DC).

AccorHotels (2019c) *ALL, Accor's New Lifestyle Loyalty Program, Becomes Principal Partner and Jersey Sponsor of Paris Saint-Germain Football Club.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PSG\\_ALL-REVEAL\\_210219\\_ENG.PDF](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PSG_ALL-REVEAL_210219_ENG.PDF).

AccorHotels (2016c) *Excellent 2015 Results Reflecting the Benefits of the Transformation Plan.* Paris.

AccorHotels (2015c) *Full-Year 2014 Results Presentation.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/02/18/20150218\\_presentation\\_annual\\_results\\_2014.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/02/18/20150218_presentation_annual_results_2014.pdf).

AccorHotels. (2017d) *Full-Year 2016 Results Presentation.* Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/02/24/ah\\_fy2016\\_results\\_final\\_en.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/02/24/ah_fy2016_results_final_en.pdf).

AccorHotels (2018c) *Full-Year 2017 Results Presentation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/02/09/20180221\\_PresentationFR\\_ResultatsAnnuels2017.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/02/09/20180221_PresentationFR_ResultatsAnnuels2017.pdf).

AccorHotels (2019d) *Full-Year 2018 Results Presentation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/11-27-CMD/20181127\\_AccorHotels\\_Presentation\\_CMD\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/11-27-CMD/20181127_AccorHotels_Presentation_CMD_EN.pdf).

AccorHotels (2020f) *Full-Year 2019 Results Presentation*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02-20-FY/Accor\\_FY19\\_Results\\_20022020\\_Presentation.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02-20-FY/Accor_FY19_Results_20022020_Presentation.pdf).

AccorHotels (2017e) *Nextdoor Aims to Be the European Leader in New Collaborative Workspaces*. Paris Available at: <https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/07/25/Nextdoor-new-collaborative-workspaces.pdf>.

AccorHotels (2016d) *Solid First-Half 2016 Results Driven by the Transformation Plan*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/07/27/accorhotels\\_cp\\_resultats\\_s12016\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/07/27/accorhotels_cp_resultats_s12016_fr.pdf).

AccorHotels (2019e) *Successful Completion of the Asset-Light Roadmap*. Paris Available at: <https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/12/16/Accor-Use-of-cash-proceeds-16DEC2019-Final.pdf?la=en&hash=6BCA9E881D2373DAC81EDBAE78B19525>.

AccorHotels (2020g) *Trading Update & Response to Covid 19*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/04/02/Accor\\_PR\\_Trading\\_Update\\_04022020.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/04/02/Accor_PR_Trading_Update_04022020.pdf).

AccorHotels (2015d) *Transformation Plan Benefits Confirmed by First-Half 2015 Results*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/08/06/20150730\\_accorhotels\\_pr\\_results\\_h12015.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/08/06/20150730_accorhotels_pr_results_h12015.pdf).

AccorHotels (2019f) *Unveils New Lifestyle Loyalty Program*. Paris Available at: [https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PR\\_ALL\\_210219.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PR_ALL_210219.pdf).

Adam Smith (1776) *An Inquiry into the Nature and Causes of the Wealth of Nations*. Scotland: W. Strahan and T. Cadell.

Ahmad, N. and Neïla Bachene (2016) 'Measuring the Economy in the Age of Digitalisation'. *OECD Observer*, (307), pp. 44–45.

Angela, A. (2018) 'GOING DIGITAL IN A MULTILATERAL WORLD'. p. 106.

Bashir, M. and Verma, R. (2017) 'Why Business Model Innovation Is the New Competitive Advantage'. *IUP Journal of Business Strategy*, 14(1), pp. 7–17.

Berends and Johnston (2005) 'Using Multiple Coders to Enhance Qualitative Analysis: The Case of Interviews with Consumers of Drug Treatment'.

Bianchini, M. (2019) 'Marco BIANCHINI, Policy Analyst on SMEs OECD Centre for Entrepreneurship, SMEs, Regions and Cities'. p. 8.

- Bone, J. (2018) 'Five Trends Shaping Digital Transformation'. *Internal Auditor*, 75(5), pp. 19–21.
- Boudreaux, D.J. (2020) 'Today's Relevance of Adam Smith's Wealth of Nations'. *Independent Review*, 24(4), pp. 487–497.
- Business-to-you.com. (2016) *Business Strategy EXPLAINED with EXAMPLES from IKEA | B2U. B2U - Business-to-you.com*. Available at: <https://www.business-to-you.com/what-is-strategy/> (Accessed: 20 August 2020).
- Collins and Hussey (2003) 'Business Research - Methodology'.
- David Ricardo (1817) *On the Principles of Political Economy and Taxation*. John Murray. London.
- David S. Y. Cheng (2013) 'Analyze the Hotel Industry in Porter Five Competitive Forces'. *The Journal of Global Business Management*, 9(3), p. 6.
- Genennig, S.M. et al. (2018) 'Value Propositions in Service Systems Enabled by Digital Technology: A Field Based Design Science Approach'. *Journal of Service Management Research (SMR)*, 2(4), pp. 6–21. DOI: 10.15358/2511-8676-2018-4-6.
- Georgios Lampropoulos, Kerstin Siakas and Theofylaktos Anastasiadis (2019) *INTERNET OF THINGS IN THE CONTEXT OF INDUSTRY 4.0: AN OVERVIEW*. EBSCOhost. Available at: <http://web.a.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=1&sid=4d870e85-241f-4c84-86d8-2ee81f445957%40sessionmgr4007> (Accessed: 1 March 2020).
- Gottschalg, O. and Zollo, M. (2007) 'Interest Alignment and Competitive Advantage'. *Academy of Management Review*, 32(2), pp. 418–437. DOI: 10.5465/AMR.2007.24351356.
- Hales, G. and Mclarney, C. (2017) 'Uber's Competitive Advantage Vis-à-Vis Porter's Generic Strategies'. *IUP Journal of Management Research*, 16(4), pp. 7–22.
- Hambrick, D.C. and Fredrickson, J.W. (2001) 'Are You Sure You Have a Strategy?' *Academy of Management Executive*, 15(4), pp. 48–59. DOI: 10.5465/AME.2001.5897655.
- Hospitality ON (2020) *Hotel Groups: 2020 EBITDA Ranking*. Hospitality ON. Available at: <https://hospitality-on.com/en/tendance-hotellerie/hotel-groups-2020-ebitda-ranking> (Accessed: 25 August 2020).
- Huang, K. et al. (2015) 'From Temporary Competitive Advantage to Sustainable Competitive Advantage'. *British Journal of Management*, 26(4), pp. 617–636. DOI: 10.1111/1467-8551.12104.
- Jay Barney (1991) 'Firm Resources and Sustained Competitive Advantage'. *Texas A&M University*, 17(1), pp. 99–120.
- Kane, G. (2019) 'The Technology Fallacy: People Are the Real Key to Digital Transformation'. *Research Technology Management*, 62(6), pp. 44–49. DOI: 10.1080/08956308.2019.1661079.
- King, J.E. (2013) 'Ricardo on Trade'. *Economic Papers*, 32(4), pp. 462–469. DOI: 10.1111/1759-3441.12057.
- Koo, C.M., Koh, C.E. and Nam, K. (2004) 'An Examination of Porter's Competitive Strategies in Electronic Virtual Markets: A Comparison of Two On-Line Business Models'. *International Journal of Electronic Commerce*, 9(1), pp. 163–180. DOI: 10.1080/10864415.2004.11044316.

KPMG (2017) 'Destination-Unknown'. p. 16.

Lanzolla, G. and Anderson, J. (2008) 'Digital Transformation'. *Business Strategy Review*, 19(2), pp. 72–76. DOI: 10.1111/j.1467-8616.2008.00539.x.

Mahadevan, R. (2003) 'To Measure or Not To Measure Total Factor Productivity Growth?' *Oxford Development Studies*, 31(3), p. 365. DOI: 10.1080/1360081032000111742.

Mammadli, E. and Klivak, V. (2020) 'Measuring the Effect of the Digitalization'. *Digitaliseerimine Efektide Mõõtmise*, (119), pp. 3–14.

Mengnan Du., Ninghao Liu and Xia Hu (2020) *Techniques for Interpretable Machine Learning.* EBSCOhost. Available at: <http://web.a.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=1&sid=9d288784-862a-4c2a-8b60-aebdbf26a0f%40sessionmgr4008> (Accessed: 1 March 2020).

OECD (2018) (2018/14) *A Taxonomy of Digital Intensive Sectors*. DOI: 10.1787/f404736a-en.

OECD (2019) *Measuring the Digital Transformation: A Roadmap for the Future*. OECD DOI: 10.1787/9789264311992-en.

OECD (2017) *OECD Digital Economy Outlook 2017*. OECD DOI: 10.1787/9789264276284-en.

Porter, M.E. (1985) *Competitive Advantage: Creating and Sustaining Superior Performance*. New York : London: Free Press ; Collier Macmillan.

Porter, M.E. (2008) 'The Five Competitive Forces That Shape Strategy'. *Harvard Business Review*, 86(1), pp. 78–93.

Roach, J.C. (2018) 'How Airbnb Has Affected the Hotel Industry'. *Monthly Labor Review*, pp. 1–2.

Stonehouse, G. and Snowdon, B. (2007) 'Competitive Advantage Revisited: Michael Porter on Strategy and Competitiveness'. *Journal of Management Inquiry*, 16(3), pp. 256–273. DOI: 10.1177/1056492607306333.

Strachan, C. (2019) 'We Need to Talk About Online Travel Agencies'. *Business Travel News*, 36(11), pp. 44–44.

Terence Baker (2018) *6 Ways AccorHotels Is Transforming Its Digital Strategy*. *Hotel News Now*. Available at: <http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy> (Accessed: 7 June 2020).

Terence Baker (2014) *Accor Aims to Regain Power from OTAs*. *Hotel News Now*. Available at: <http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy> (Accessed: 7 June 2020).

Venters, W. and Whitley, E.A. (2012) 'A Critical Review of Cloud Computing: Researching Desires and Realities'. *Journal of Information Technology*, 27(3), pp. 179–197. DOI: 10.1057/jit.2012.17.

Wilbanks, J.J. (2010) 'Defining Deduction, Induction, and Validity'. *Argumentation*, 24(1), pp. 107–124. DOI: 10.1007/s10503-009-9131-5.

Zervas, G., Proserpio, D. and Byers, J.W. (2017) 'The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry'. *Journal of Marketing Research (JMR)*, 54(5), pp. 687–705. DOI: 10.1509/jmr.15.0204.

## Appendices

### *Appendix A – Transcript Interviewee A*

**The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

When you say digital transformation, do you have something specific in mind?

**I saw that in 2014, a digital plan was formulated for €225 million. I would like to know the reasons why it was elaborated.**

Very good, so for this it will mostly be my opinion, because I think that what Sebastien Bazin (the CEO) could say would differ from what I think, and you must consider that I arrived recently. But there are two observations that were made, the competition and the advantages it could provide us in terms of revenue. However, I would not be surprised if it were mostly driven by external factors, so mostly competition.

Inside our competitors, there are several actors to consider. First the rise of Booking and Expedia, that we call OTAs (Online Travel Agencies). These players did not exist thirty years ago, therefore, the whole distribution process was controlled by the hotels. Right now, hotels are heavily challenged by these OTAs who gather more and more market share in distribution and take fees on reservations that can vary between 10% and 15%. It applies to all the hotel brands and their margins are reduced because parts from the revenue on each reservation goes to the distributor.

Technologically speaking, reservation systems are getting cheaper and cheaper. Some hotels directly plug their system on Expedia's. And there was also another threat and not the least important, the rise of Airbnb and the sharing economy where distribution is digitalised.

**And in terms of ranking of threats, is Accor more challenged by its historical competitors, by Airbnb or by OTAs?**

I do not think I could give you a coherent answer to this because it is very impacted by the regions where we are operating. We are present everywhere, but our main focus is Europe and Asia. Accor's European market penetration is very strong. What we like to say is that outside the United States and China, Accor is the n°1 hotel chain. We also have hotels in these countries, but for instance in the United States, most of our competitors are American or Anglo-Saxon hotel chains.

The four or five top hotel brands are Americans or Anglo-Saxons and are very present in the United States, Canada, and all of North America. Among them, Hilton, Marriott, InterContinental (IHG), etc. and there, they are extremely dominant but far less in Europe. In the United States, we are going to be challenged by all the players. Another extreme case, France where we are the dominant player with around 40% of hotels ownership. Therefore, in this market we are not as challenged by these big American brands, but we are challenged by OTAs and we fear that their market shares might keep growing even though we managed to stabilise it. And we are also challenged by Airbnb and equivalent private rental brands.

Something I did not mention, we are challenged by the other players, but the customer is also evolving. His expectations have changed and is far more digitalised than before. He does not want to spend 15 minutes in line to check-in and would rather prefer to do it online. There are a lot of expectations from the customer in terms of experience and fluidity. Digital transformation became an imperative for the very survival of hotel brands.

**Were there specific objectives and goals that were set in terms of revenue increase or internal development?**

Yes. Pre-COVID we had clear objectives, but they were more finance oriented. We wanted to increase the number of hotels in our brands, increase our revenue per room. But we did not have precise number concerning digital transformation for the simple reason that there are so many aspects to it that it is difficult to forecast its results. However, objectives are set per projects. For instance, there were heavy investments and work on the website and the launching of our loyalty program, ALL (Accor Live Limitless) that gathers all our brands. We hoped that the loyalty contribution rate of our members would increase and that the reservations from our direct channels rather than through the OTAs would increase of X amount.

**Very well, yes, in a previous interview, I was clearly told that there was a specific objective of increase of the conversion rates, the click / reservation ratio. The next question is in two parts.**

**Were there new industries or sectors that Accor was able to penetrate thanks to digital? And were there specific digital skills or core competencies Accor had to get, develop, or strengthen itself with?**

It is a bit complicated. Yes, Accor did enter new industries, like co-working, we became a competitor of WeWork. We also entered private rentals with OneFineStay, we also do incubation of start-ups. We were able to enter several sectors, but I would not say that it is purely thanks to digital. I would say that all these sectors or industries have a digital aspect even though their core is not necessarily

digital. However, the distribution channels for all these new sectors are digitalised. We also tried to control distribution by building a website equivalent to Booking or Expedia, but it was not really a success. I do not know if Accor entered purely digital sectors, our core business remains hospitality.

For the skills and competencies, I can talk about my team. We had to heavily invest in everything related to data. We acquired new competencies like cloud-based data management, which means the hosting of our data on AWS. Also, something rather new in Accor, we have a team of data science. It is something that did not exist 10 years ago, and they work on machine learning models used in different contexts.

**Did Accor acquire digital services formerly proposed by third parties or did it develop them internally, and if yes, which ones and in which sectors?**

Yes, the answer is yes. I must admit that their names slipped from my mind. However, they do not constitute something major for the group. I remember D-Edge, but I do not remember their names.

**Does the digital transformation of the group translate in its revenue increases?**

Yes absolutely. All of our distribution system is digitalised. We still have call-centres but if you want to book through our loyalty program, you have to go through our websites and it obviously translates in financial value for the group. Digital penetrated the industry to such an advanced level that I cannot even imagine a situation where we would not even have a website.

**Where does Accor stand, digitally speaking regarding its competitors? The historical TOP 10 competitors, the OTAs and the sharing economy. Did the gap shrink or grow?**

Regarding American hotels, I think we are lagging a little bit behind. They are lucky to evolve in an American market that is more standardised. It is only a few countries with relatively close cultures and the brands are far more concentrated. Where in Europe, a large number of hotels are independent or part of small chains. In the United States, brands are very concentrated. We really feel like the four or five dominant brands, among which you will find Marriott or Hilton are more advanced in digital, their services, data analytics.

They heavily invested in their information systems and standardised policies and systems; where for us, many of our hotels use their own systems and not the one proposed by Accor (PMS- Property Management Systems). Because they have a better brand recognition in their native market, they were able to standardise their brands. If you want to be part of the Hilton network, you must use their systems to be efficiently plugged-in and we have not achieved this yet.

Then if we compare ourselves to the OTAs, they are far more advanced because they are born-digital. These companies were created through digital and their advance is not surprising. However, I do not think we can make an efficient comparison, because the American brands are completely different. They evolve in a standardised market, technologically and culturally speaking, they also have more revenue and therefore more resources to invest in their own infrastructure.

**And in terms of market shares, has Accor been able to grow on their markets?**

It depends. In Europe, we are not really challenged. In the United States, we grew through acquisitions. There is a real consolidation tendency in the industry, it means that most companies will grow but through acquisitions rather than through the development of their own products. Accor does it, but the Americans as well.

**Now I would like to talk about data utilisation. What kind of data are being collected by the group, in what circumstances and towards which objectives?**

Yes. First our internal data can be classified in three groups.

We have data about reservations. Then we also have data about are clients stays. These two kinds of data can be very different because a customer can change his mind and choose to stay a few more / less days. It also concerns then consumptions like food and beverage. At these stays data, we can add guest data, the customer's behaviour, and the history of their consumption, if they are part of our loyalty programs. All these data are linked. The loyalty program data are also part of the guest data, as well as the web browsing and behaviour.

Then our external data.

We mostly gather the data regarding the external prices on which our pricing policy will be locally or globally defined. Crawlers will scan OTAs and competitors' pricings so we can set ours. All this information is used in the revenue management part to influence our pricing policy and optimise our revenue. We want to know what our competitors do.

**Today, how are this information shared inside the company?**

There is a system that allows us to share this information through the whole company, but it is rather old. There is one of our big projects that was stopped due to COVID-19 and that we try to start again and for which I fought a lot to obtain more budget; It is a data lake linked to a cloud-hosted data warehouse on AWS (Amazon Web Services). It is the modelisation of different data made available in a modern environment of data visualisation. We are in the middle of this projects and we really want

to invest more in it to ensure the efficient sharing of all our data sets and an easy access to it. Now, most people use COGNOS which is an old system, an efficient one but rather old.

**Is it linked to the Accor Customer Digital Card?**

No not at all. This project is called WelcomeData. The Accor Customer Digital Card is something else. It is one of the data sources of our data lake, it is a customer database made available to all the hotels. It keeps in memory the customers data and preferences. I will caricature, but for instance, if you like champagne and especially Dom Perignon, in our luxury hotels, you might find a bottle in your room at your arrival. It is a caricature, but it can be simple things like your food tastes, your hobbies, if you need your room to be closer to the lift, at what floor you like to be. It allows the hotels under our brands to customise the customer's experience during their stay.

**Are Analytics and data-science visible in the group's revenue? By this I mean, are the investment made in these fields translated in value creation?**

Yes clearly. It is easier to see it for data-science because we have efficient machine-learning projects that allow us to precisely see our results. Thanks to this, we can easily benchmark and see how much we earned on which project and to estimate the impact it had on the group's revenue. Our projects are well-structured and well-monitored to follow the benefits resulting from them.

## **Appendix B – Transcript Interviewee B**

**The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

A digital plan was launched around 2014 – 2015 and its starting point was the taking of market shares from intermediaries that we also call “OTAs” that are the Online Travel Agencies. The most renowned being Booking.com and Expedia with a growing market share. And at the same time, the observation that the Digital experience of the Accor group was not good enough. A first plan was launched, from memory, on a period of three years (2014 – 2017 or 2015 – 2018) to upgrade. It was directly impulsed by the CEO (Sebastien Bazin), to reach the market standards.

**Were there specific and quantifiable objectives and goals that were set to be met after a given period of time?**

Yes, there were business objectives, where the share of partners / intermediaries (OTAs) were to be restrained to a certain extent in what we call direct business. There was a clear business objective and then smaller objectives regarding technical performances and customer satisfaction, knowing that these smaller objectives contributed to lead our business to the expected level and thus to reach our main business objective. These smaller objectives were considered secondary.

**What were the different steps in the implementation of this strategy within the group?**

It is a good question because I was not yet part of the Accor group at this time. I do not really know. I think there was the definition of a macro-program with subsets. One of these subsets was the reach a satisfactory mobile experience. Within the program, a project called “Mobile First” was developed but it is one amongst many, there must have been between ten or fifteen projects that were implemented. It was a significant program.

**Do you know at what cost the Digital Plan was implemented?**

No, but the information is available online. I think I can find it quickly. (After searching for the information) So, it was launched at the end of 2014 for a total investment of €225M on a period of five years. It means that the previous information I gave you were not entirely correct.

**As part of the development of this strategy, what were the industries or sectors in which Accor chose to develop or diversify its offer to compete against the Online Travel Agencies?**

There were no new industries or sectors because we remain part of the Hospitality industry. However, there were several technical skills and expertise which had to be strengthened. On all the digital aspects, we had to reinforce ourselves. Whether it is on the user experience of our systems, acquisition, internalisation of developments (even though it is not yet the case), but also on data collection and analysis, in order to collect the right data and improve our offer. That is all for functional development. There was no sectorial development. There was also an attempt (which has been interrupted) to launch a “marketplace” where independent hotels could be indexed in the Accor group’s system amongst hotels list of the group to allow them to distribute third party products not referenced under an Accor brand on this platform. It has been abandoned in 2018.

**For what reasons?**

It was complicated regarding the relationships with the hotel owners working under a brand of the Accor group. So, first, there was a political issue. Furthermore, on the business aspects, the results of this project did not meet the expectations that had been set.

**Were there new revenue streams or ways to generate value that were enabled by digital?**

Partially yes, we are at the beginning. There was the launching of our new loyalty program, “ALL – Accor Live Limitless” in December 2019. The intention of this program is to multiply the interactions between Accor and its customers. On average, an Accor customer interacts with the group once or twice a year. Obviously, it is an average, we have customers that stay around two hundred days a year in a hotel, but our average client only interacts with us once or twice a year. Therefore, it is complicated to enhance or create a bond with a brand you only see once a year. The ALL program aims to develop, by other sectors, potentially digital, the interaction spots with our customers to enhance the frequency of usage and interaction with the brand. There are several aspects of it that are public, such as the partnership with airlines (Air France in France) to make their clients benefit of advantages in our hotels and reciprocally. This applies to the airlines, but another partnership was developed with VISA to create a co-branded card, Accor will be in the pocket of all the customers who would have chosen this card to benefit of more advantages in our hotels. Other partnerships exist, in restaurants, taxis, ridesharing companies. All the interaction spots that Accor cannot control, in a situation of travel or not, will be addressed by partnerships.

**Is the ALL project, the one on which the group expects to generate new revenue streams, or you have any other big project that were developed to meet an immediate economic logic and generate immediate profit?**

Accor does not own the brick and mortar of its hotels anymore. Therefore, we have a system of franchising and fees, regarding which the performance of hotels operating under one of Accor's brands allow the group to generate revenue. The current situation must be isolated because it has never been seen before (COVID-19). However, the development axis of the group is on one side related to this partnership logic and go on territories that were until now, unexplored. But the core of our activity remains hotel development, meaning making independent hotels join us under a brand of the group, or by buying already existing brands. These are called integrations where we try to fusion the ecosystems of both the existing brand and Accor's.

**I read that is was made at a frequency of one hotel a day.**

For the development, yes. What we call natural development. We can caricature it and say that it is basically knocking on someone's door and proposing him to join us as part of Novotel, Mercure, or another of our brands. For this, it is one a day. But we must also add to it the external acquisitions\*.

**What I would like to know now is regarding the digital plan we talked about earlier, if you think that this strategy generated benefits for the group and if the share of digital is quantifiable or not in the revenues of the group?**

We should circumscribe what we call digital. A large part of our business is distributed. What I mean by it is that it uses booking systems. Or if we are talking about the experience on our websites or mobile apps. But in any case, I would say that it is extremely difficult to measure the impact of digital. However, one thing that we are sure is that if we had not done it, the situation would not be as good as it is. However, measuring the exact incrementation of digital in our revenue is almost impossible.

**Before COVID-19 crisis, did you experience increases in the performances of the group regarding the Online Travel Agencies or its historical competitors like Hilton or Marriot?**

Yes, we have a permanent benchmarking logic against our competitors, whether it is at a global or at a local level and it is followed very carefully. For now, I would say that Accor is in line with the competition on a business growth scale, whether it goes through digital or not. On the strictly digital aspect, for instance our website, we reinforced our teams on AB-testing practices to measure the value incrementations generated on modifications on our digital assets. To illustrate this, on the past two or three years we have experienced significant increases in our performances, mostly in terms of conversion rates when we facilitated the customer journey on our digital assets, which in the end generated more business. It even reached a point where the growth of our digital assets had significantly exceeded our partners'. However, there are two ways to see it. We either were lagging behind and we caught up very quickly, resulting is a boosted growth at this very moment. Or that

there was a significant effort made on the differentiation of our offer, resulting in us taking the lead. The answer lies between the two but cannot be defined with certainty. One thing is sure is that our digital assets growth significantly exceeded the partners'.

**And is their value quantifiable?**

Yes, they probably are. However, I do not have these figures right now.

**Would you say that the objectives have been met?**

I think they were. I do not have in mind all the objectives, but I think they were met, especially on the business aspect. At least a major part of them were met.

**According to you, what would have been the opportunity cost of not implementing such a strategy? Would it have resulted in stagnation or losses in market shares?**

The business subtlety in Accor lies in whether the business is direct or if it involves third parties. When we have to deal with partners, our distribution cost is significantly higher. The first effect of this, is that each transaction is more expensive, meaning that the cost of customer acquisition and retention is also higher. The best way to change this, is to favour direct business channels because it allows us to easily capture clients and store them in our databases and thus, to generate Customer Lifetime Value where the client comes back and its acquisition cost will be smoothed in the number of times he will stay in our hotels. If we had not implemented a digital strategy, it would have resulted in a larger market share for partner and our acquisition and retention costs would have increased dramatically on mid and long term.

**Does it pass through acquisitions of services ? To avoid having to deal with third parties.**

No, it goes through our distribution channel. It relies on the customer's reflex to go directly on Accor's website to book a trip rather than going on Expedia or Booking.com.

**Did Accor acquire digital services formerly proposed by third parties or did it develop them internally, and if yes, which ones and in which sectors?**

Yes, we acquired digital services. In Accor's ecosystem's logic, the group reinforced itself by acquiring brands. An example of this would be D-Edge, formerly Fastbooking which proposes online booking platforms for independent hotels. This company now operates as the group's internal digital agency with the capacity to create made-to-measure websites when we require it. Others company were acquired such as Resdiary which allows the customer to book a table in a restaurant.

**Are these entities entirely integrated in Accor or are they seen as partnerships?**

Some of these companies are held at a hundred percent by Accor and some are not. For them we are still in a logic of partnership but with reinforced bounds with the Accor group.

**Are these companies versing commissions to Accor ?**

No, the revenue goes directly in the profits and loss. The objective is that the company develops its revenue. For Accor, because it allows the company to work at a global scale or for its historical clients and industry sector. But the accounting is separate. The goal is to develop a mutual benefit.

**Now I would like to talk about data utilisation. What kind of data are being collected by the group and in what circumstances?**

There are several types of data. Internal data: Directly linked to Accor like the customer's booking information or information about the customer himself. It symbolises the life of a customer in Accor. Operating data: in this business, forecasting is very important. An efficient forecasting will allow us to optimise our distribution costs but also our prices. It follows a yield management logic. This data is treated by a human being in a hotel regarding his knowledge of the surrounding events, room occupancy, the way the hotel operates . These are revenue management data used to forecast the future (Internal data are: Booking data, customer data, forecasting data). External Data: Principally benchmarking data, how is the competition behaving regarding to key indicators such as the yearly average revenue per room (rev/par). It is the principal indicator in the hotel industry to compare yourself to the others. But we can also see the search index of Accor on digital platforms such as Google. Or in the partners' platforms to see how visible Accor is compare to competitors like Marriott. It allows to explain why we perform better or worse than the competition.

**How are these data shared within the group? And what is the Accor Customer Digital Card and how does it work?**

The Accor Customer Digital Card is a project that allows every hotel operating under one of the group's brands to access the customer's information whether or not he or she has already stayed in this particular hotel. It represents the life of the client in the group and what he or she likes or not. It is the way we share centralised data for all the group's hotels around the world. We either have dedicated platforms or auto-generated reports and sent to the hotels. Additionally, some data remain at the headquarters to be prepared, stored, and then shared between different experts for them to share a common vision of the business. Discussions then occur on the decisions to take

rather than on the way the data is treated and on the potential gaps that could have occurred during the treatment.

**I assume most of the retained data regarding the customer's life in the group is held in order to personalise the customer's experience. I would like to know what shape this personalisation would take.**

It concerns what the customer likes or dislikes, but also what we can do for him that would differentiate this hotel from another in another hotel chain in the world. For example, in the ACDC platform, if the customer agreed to share his information (GDPR), the hotel will be able to know a wedding date and leave a surprise (a bottle of champagne, an invitation to an event, a decoration) in the room. A little gesture to provide the customer with an experience he was not expecting to differentiate ourselves from the others.

**Is it currently implemented or is it in development?**

It is fully implemented. Obviously, the higher the hotel's standing is (luxury), the more personalised the experience of the customer will be.

**I assume the value generated by the treatment of data is also very difficult to quantify.**

Yes, it is very complicated because a lot of different factors are considered. Isolating the generated value is almost impossible.

**After implementing this strategy, acquiring digital services, and changing the way it operates, do you think Accor is a more competitive company than it was before?**

Competitiveness introduced a notion of relativity regarding the competition. I do not think there was a massive incrementation regarding competition. However, on some initiatives, Accor is ahead or lagging behind on others. But if Accor had not done it, the lag would be far more important. It is a very moving environment. The one that does not go far enough or fast enough lags behind and loses market shares.

**Which would be the initiatives on which Accor is ahead?**

The ACDC platform, this initiative is not present in all hotel chains. The loyalty program ALL, which is not yet finished, and many features are still to be implemented. However, the vision that drives these projects is not present in all hotel chains either.

## **Appendix C – Transcript Interviewee C**

**The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

The strategy came from our new loyalty program, ALL (Accor Live Limitless) and the will to re-think the hospitality experience. And in the process of re-thinking the loyalty of our member, re-think the whole digital aspect of the company as a must-have to communicate more easily with our members and to be able to compete and grow.

**Who is the competition currently shaped ?**

Currently, competition is mainly shaped by hotels, the big hotel groups like Hilton and Marriott. With our new program, we are opening to new experiences and new competitors emerged like Airbnb, GetYourGuide where we are addressing a larger competition through experience. We are not only providing a hotel room but also developing tourism experiences, private events, sports, and music with the Accor Arena. Offer a unique experience revolving around hospitality. Competition broadens. I do not know if you saw but Airbnb started to offer more experiences as well and it is going to be one of our main competitors in the near future. The rest of the competition is made of local players, not necessarily big. But we also need to face the competition of more classical companies like Booking and Expedia that offer hotel experiences driven by price.

**In a previous interview, I was told that the strategy was more oriented towards the competition of the OTAs like Booking and Expedia and aimed to reduce their market share. Do you confirm this?**

Yes absolutely, OTAs are our principal competitors today, but we differ in the sense that they are price oriented when we are focusing on services.

**What is the relationship you have with them?**

They are bringing us business; however, they tend to drive the prices down. Therefore, working with them means reducing our margins and it is not we aim to go.

**Were there specific objectives and goals that were set through this strategy?**

Yes. The objective was to become a digital player. It needed a more actual communication, a website, more fluid and responsive applications. Start to make our nest in this digital world where we were completely absent. It also needed a changing in the naming of the company.

**Were there business objectives that were set?**

Obviously. We had a principal objective of increasing our revenue. By making our website more fluid and attractive, our customers will come more easily to make their reservations on it, but also see our discounts and the different services we propose. We aimed to increase our conversion rates and therefore what we call our direct revenues. It means the revenue directly generated by Accor and its website and applications. The second objectives, more linked to the loyalty program rather than to digital transformation, was to increase the number of our member and make our loyalty program more attractive by broadening it in terms of offer. Obviously, behind that, we also needed to increase the customer satisfaction.

**Were there specific amounts or figures that were aimed to be met in these objectives?**

Yes, I must have them. I am going to find them. You can keep going and once I find the figures, I'll give them to you.

**What shape did this strategy take? Were the different steps in the implementation of this strategy within the group?**

It mainly changed our ways to work; It was the most significant transformation I witnessed. It was a rather quick transformation, especially at Accor; It really accelerated last year. From the moment they got the approval of the board and that we were presented the approach of the project, it really transformed last year. The first step was the transformation of teams and our work processes. Accor created a strong Product team, digital-oriented with product owners and product managers and strong interactions with IT teams, they are called Feature Teams. It is the main organisation change. We increased the number of sprints, the number of deliveries and tests until launching projects, with very strong priorities. In a big company like ours, it was rather new.

**Yes, I imagine that in a big company like this, change and communication are very long between departments.**

Absolutely. And it allowed more interactions between what we call the Product, IT and the different departments. There was also a big advance in terms of communication. We were already present on it but we increased our presence on social networks. I encourage you to watch the communication video on our website. There was also communication about the Profit & Loss, and they made partnerships with influencers, advertising groups to test and push our communications. Our advertising is made in Apple-style and there was a big jump on social networks to change our brand image.

**Did Accor enter new industries or sectors thanks to digital?**

I would say yes but the current crisis stopped us. We had first fruits. Restaurants became a real experience. I can talk a bit about the crisis. We signed a partnership with PSG, artists. Free lessons were given, interviews were made, concerts as well for our members. It is the kind of experience that was offered at the beginning of the year. The objective of our transformation was to offer more experience, to open to something else than just selling hotel rooms. Crisis led us to see other things as well and gave us time to correct some things. For instance, it allowed us to multiply the interactions points that you can have in a hotel. For instance, checking in at the reception is over and you can directly do in online. It allows us to have an insurance system for our customer once he is in the hotel.

**Were there new revenue streams or ways to generate value that were enabled by digital?**

There are some but at the moment it is not as developed as we would like. This digital transformation is supposed to be an entry point to create partnerships so that Accor can become a sort of marketplace of experience as a whole. For instance, we have a partnership with Air France but also Emirates. There is an Airlines part, a mobility part, a finance part. Until now they were small partnerships.

**What shape would it take? Accor would become a hub with a website gathering all these offers?**

Absolutely. Not necessarily all the offers but we would push on offer or another and the customer would earn loyalty points with his loyalty card in one of the partners and be able to spend those points. They would earn points in Accor and in the partners and be able to spend them. We want them to be able to access on a single platform (ALL), where the partners would almost be invisible, and we would offer a service in the name of ALL. So, our digital transformation was the entry point for all these partnerships.

**Do you think that this strategy generated benefits for the group and if yes, are they quantifiable?**

**Can we estimate the part they occupy in the group's revenue?**

It is horrible. The context does not allow us to have this return on investment at the moment. I will give you the whole picture and timing. We launched this big digital loyalty program, ALL, internally in early December and globally at the end of January. We were really at the beginnings and the COVID-crisis really stopped us. We had very good first fruits, and we were able to see what went well and on what we could improve. But we could not experience the return on investment immediately because it became complicated in Asia in February and in Europe in March.

**What were the positive and negative points that arose from the program launch?**

We were very satisfied by the website and the communication. However, we had a few regressions on our application because some features that we underestimated were not as efficient as they should have. And we had to re-upload them to make them work properly and catch up.

**If these return on investments are not visible today, are there specific indicators at which Accor is going to look to estimate if digital transformation was a success, afterwards. And what would these indicators be?**

The most interesting would be the increase of the conversion rate. There would also be the execution time between what our clients can ask us and the delivery time of the desired features. It would be a very good internal indicator to say that our time-to-market is more fluid and that we are oriented towards our customer's needs. I also think that we should not ignore our customer's comments, it is the basics. But I am not going to lie, the main indicator of a successful digital transformation would be a significant increase in revenue; and if we are really good, in a few years we will be able to generate additional revenues to standard hospitality. There we will be able to say that we were successful.

**Does this transformation allowed Accor to compete better with its historical competitors and the new digital competitors that are OTAs?**

It is a must-have. To efficiently face the competition, we had to catch up and be at the same level to avoid being distanced by our competitors. Does digital transformation allow us to compete better, alone? I would not say that but there is an in-between and Accor's positioning is interesting. Indeed, we heavily invested in digital transformation but keeping in mind that hospitality is our core. We created a hybrid system that is very interesting that our CED wants to push. To make digital at the service of our teams because the humans are still at the centre of our activity.

**Were the initial objectives met or are they in good way to be?**

Considering the current situation, it did not go down. At the beginning, we did not we remained good. Currently, our results are not good, but unfortunately that is not the fault of digital transformation or any other internal cause. The COVID-19 really stopped our activities and we can't measure properly right now. I do not know what others told you.

**They went a bit further in time. Especially regarding the results of the €225 million 2014 plan. So, the question was more to know if the objectives set at this time were met. If revenue increased and if conversion rates increased.**

Ah ok. So, yes, they both increased, it is true. I arrived recently in the company so 2014 is a bit far for me. But yes, revenues and direct business increased. On the last two years, conversion rates increased by 15% per year. It was a good rate and we are aiming to double our revenue and develop our member's base and therefore, our loyalty contribution, to know how much our loyalty program weighs in our revenue. (See KPIs)

**Digitally speaking, where does Accor stands regarding competitors? Are they in advance or late ? if yes, on what? I am speaking about the Top 10, Hilton Marriott, etc. Have the market shares from the OTAs decreased?**

I really need to take context out. Digital transformation allowed us to gain market shares, that is certain. We are not late or in advance, it is a status quo. We aimed to gain terrain this year but have not finished all of our projects. We are currently equivalent. But we gained a lot of market on the OTAs and the growth of our digital assets was greater than theirs, especially thanks to our website. In terms of growth we are also equivalent to Hilton and Marriott because there is a constant benchmark and companies from the Top10 and constantly looking at the others. However, I think that we are going to compete seriously with Airbnb.

**For what reasons?**

Because our website is far more efficient than it was before. Also, it is backed up by the fact that we push our partnerships forward and our complete experience offers. We position ourselves as a service provider rather than just a hotel chain.

**What exactly is ALL?**

ALL is our new loyalty program. Accor Live Limitless. The first point was the broadening of our loyalty system. Until now you could only earn points by going in one of our hotels. You can now go in an Accor restaurant and you will earn points as well as going to the hotel.

The second point is the broadening of our partnerships that I told you before. The idea is not only to be able to earn points but to be able to spend them as well. You will be able to do both on the ALL platform. If you have a credit card with a partnership with ALL, each time you use this card, you will earn ALL points and then you will be able to spend them at Air France, Apple, etc. It already existed in Accor but was not pushed forward. The objective is to develop these partnerships to become a marketplace of experience. The more you earn points, you might get exclusivities, like a concert, or a football game. We want to offer unique experiences to our member. You just booked a table in a restaurant and you need a car to go to the Eiffel Tower? You can do it all via our ALL platform.

**Towards which goal has it been developed?**

I would say the increase of our revenue. We noticed that our members systematically came back or more easily to the same brands. The more your members base is large, the more your revenue are stable because the same members come back. Objectively, we gain additional revenues to those generated in standard hospitality. It also allows us to see a hotel as something else than a gathering of bedrooms. It will be, making brunches, give sport lessons in the hotel. Imagine the hotel as place where you can do all of you day life activities rather than just a place where you sleep for a night.

**Does it use the Accor Customer Digital Card? To access customers data and propose customised services.**

Yes, it absolutely does. When you fill your member profile, we ask for your preferences, if you allow us to use them. If you do, we will use them constantly and update it regarding your activity in our hotels. And each time you book a room or an experience, we will offer you other services that we know you enjoy. For instance, you love football, we might offer you something related if there is an available offer at the time. It allows us to completely customise the customer's experience.

**In terms of release of this project. Where does it stand at the moment? Pre-COVID.**

We are in phase where we develop our partnerships. This year, it was the launch of all our big partnerships and the communication about them. We had identified our key sectors and we accelerated. We had small, local partnerships that did not propose the full digital experience. So, we launched the new website and the mobile app with our big partnerships, especially in our main markets. Those markets are Europe where we are leaders and Asia where we are growing. Northern America is not a big market in terms of revenue; however, it is a big luxury market, so our customers have specific demands and we invested in this loyalty program in America. Lockdown allowed us to launch small experiences as well and to test our solution more efficiently. It is not paused, and I do not know if it is going to be pushed back of a few years, but we also want to integrate other solutions while adapting to the current context.

We also provide services to hotels. Among them, ALL but also everything related to digital transformation. From their point of view, it has been very successful. Since we are more doers rather than users, we mainly see the negative sides, however, the hotels are very satisfied and this transformation was a success, in terms of technology, communication and training. We went to train them ourselves and gave them a lot of support for a year and they really appreciated it.

I talked to a director in one of our luxury departments who has been working here for more than 20 years and I asked him if we were digitalised enough, what changes he saw in the last few years, what were the feeling of hotels, and if we were still meeting our basics (reservation / database / breakfast) in this digitalisation context. I felt that we heavily invested in digital to the detriment of our basics and hotels complained. He said that it was a digital transformation was a necessity. It really moved on since Maud Bailly came in. She really fastened the processes and the execution of the projects and forced the implementation. It accelerated quickly and ALL was released in less than 2 years. After that, hotels were really satisfied of the execution of this transformation. They also think that our communication is a bit too centralised. We re-organised ourselves and led to a firing plan. We invested heavily because we had to catch up, but the same investment had to be done on the organisation. Having a nice design is not enough, the core must work as well. Our basics allow us to push other offers. There was a lot of sponsoring from the board, especially Maud Bailly, Sebastien Bazin and Chris Cahill and today the hotels of our brands are satisfied.

## **Appendix D – Transcript Interviewee D**

**The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

What exactly do you call digital transformation? So that my answer can be as precise as possible.

**I saw that Accor started a digital plan in 2014 for a cost of €225 million. I would like to know the causes that led Accor to develop this plan.**

I have a lot of things to say on this digital plan because by now it is really behind us but I'll still give you the reasons why we doubled our efforts on the digital plan and then I'll come back to it. The main problem was the digital competitions for the OTAs (Booking.com / Expedia) have growing market shares and bring a significant part of the business to the hotels. Knowing that our main clients are hotels, the Online Travel Agencies are in direct competition with our channels whether it is our websites or our mobile apps. To improve our performances in the eyes of traditional hotel which are our first clients, it was important to develop the attractiveness of our direct channels compared to the competition of these platforms. Additionally, the more distant threat from Airbnb or private rental companies must be added to the OTAs because they can likely take B2C clients from us that could go in a hotel. Mostly because Airbnb's website is easy to use compared to Accor's. Concerning the digital plan, it was a really "Old School" plan with big project and Tunnel effects, big budgets and an IT development that was a bit archaic. By this, I mean that it was not agile at all. Today, transformation as we understand it in Accor is to transform our processes, be oriented by the value of targeted KPIs with short cycles to create value faster and if necessary, change our plans or investments regarding what works and drop what does not. So today, we are not in this digital plan anymore.

**So, does digital transformation translate in the Accor Environment today since the end of this plan?**

So, there was an important re-organisation in our processes and the creation of the BCD (Business Customer & Digital) department in 2018 when Maud Bailly, the current CDO (Chief Digital Officer) arrived. From then, we created a product department that aims to be the cutting-edge of these new processes where product owners would assume leadership and where there would be a better coordination between IT and the other departments based on a "feature team" model if it is possible. And as I told you, working in short cycles, constantly watching KPIs (value or usage KPIs) and

changes our focuses regarding the results. We stopped launching several-years plans or projects where we had to pray for it to work in the end.

**Are there specific goals or objectives that were defined as part of the digital transformation, weather it is on the revenue side or in the processes side?**

I would say that the principal objective on our side is to drive the business to reduce the market share of the OTAs and of course to ensure the satisfaction of the traditional hotels that our main clients. After this, there are variations of these strategic macro-objectives that happens at the project or at the product level to ensure that the group's investments are well spent. For instance, on the Web (website) or Mobile (mobile app) product, our main goal was to develop the conversion rates. But also, in more technical projects in IT, we wanted to increase our delivery speed and our development speed and frequency. There are different levels of objectives regarding what we are looking.

**What shape did digital transformation take? By this, I mean the steps of the process.**

So, there was this digital plan that was the biggest evidence of "Old school" processes and thinking and we realised it was not satisfying so we made a big diagnosis and a reorganisation followed with the product organisation. Since 2018, there is also a big emphasis on the mindset and cultural transformation. And we are in a phase where the place of the product is more and more central. It is a process, and I would not say that there were bigger evolutions since 2018 but we are working very hard so the products' aims are understood, recognised and to make some departments delegate some of their old prerogatives to focus on what they do best to let some power of decision to the product owners.

**How did that cultural transformation occur? Internal communication and events?**

It happened in many ways. Consultants came to help in the process, whether they were coaches or more oriented on the company's mindset. There is a constant internal communication about this transformation. And now we have a team, a small one but still, that is dedicated to cultural transformation. Its main objective is to ease the transformation process of all the departments of the group.

**Were there sectors or industries other than hotel room selling than Accor penetrated thanks to Digital, like restaurants?**

I do not know if it was really enabled by digital. You take the example of restaurants, but it is already our second core and represents a third of our revenue. There are a lot of restaurants in our hotels

and they perform very well, except in Europe. I mean it works also in Europe, but in Asia or America, some clients do not even stay in the hotel but go directly to the hotel's restaurant. So, it is already a big part of the business. However, we want to keep developing what we call Augmented Hospitality as part of our corporate strategy and it is a big working area for digital to increase our business performances and customer experience in these other sectors. Today, they exist, but digitally speaking, we could be better in restaurants, we could be better in co-working. We are good in private rental, but we could also be better. We acquired a company called OneFineStay which is a sort of luxury Airbnb. It is one of the big concerns for us, especially once the current crisis ends because we'll be able to perform far better than we are right now.

**Are there new revenue streams that were unlocked thanks to digital?**

Yes, because a significant part of our acquisitions is in the digital sector. We acquired a company called VeryChic that does online private sales of travels that works very well. We acquired B2B companies that provide services to hotels call D-Edge and Gekko that give us complementary revenue streams. I already told you about OneFineStay. So, thanks to are acquisition in the digital sector, I can answer yes to your question.

**Today would you say that the investment made by the group to increase its digital value had a real return in terms of revenue.**

It depends which ones. I do not know exactly the contents of the P&L of all the acquired companies, we cannot say yes for all of them. Some worked better than others. But it is entirely assumed from the beginning by the CEO Sebastien Bazin. When making acquisitions, we are taking the risk that it will not work as expected at the beginning.

**Do you know in which sector or what type of companies?**

I think that the B2C companies, that provide services to the hotel work particularly well. At least they did before COVID-19.

**I understand that quantifying exactly the digital part in the group's revenue is almost impossible, however, on which indicators would Accor base its judgement to say that digital transformation was a success or not. And where does it stand regarding its competitors?**

There is a very important part of our direct channels and loyalty program that work together. We launched ALL (Accor Live Limitless), the loyalty program merged with our app and our website. Comparing it to Booking.com and our competitors will be a big indicator. For instance if, and I'll give you random numbers, if our competitors have 30% of their business from their direct channels and

20% from Booking.com but that on our side it's only 10% of direct business and 40% from Booking.com, we would clearly underperform. There are two aspects to digital inside Accor, what is B2C, oriented towards the clients and what is B2B, oriented towards hotels. A lot of tools called PMS or CRS are provided to the hotel managers to manage their hotels or bookings regardless of the channels. There we will be interested in the satisfaction rate of the hotel managers regarding the digital tools we provide them. If Marriott or IHG has cheaper and better performing tools than us, we would have failed.

**What shape do these PMS take?**

Property Management Systems or Central Reservation Systems. They are tools that employees at the reception use to record reservations or allocate the rooms efficiently or manage the bills.

**You mean that a newly acquired hotel would directly integrate the digital tools provided by Accor?**

It is not so simple. We do not own the brick and mortar anymore. A discussion would start with a hotel owner that joins us or changes brand on whether or not he would like to take all of our tools or to keep some of his. The standardization level is not as high we would like or could be.

**And in terms of competitiveness, do you think the digital investments made by Accor allow it to better compete regarding its historical competitors or to reduce the market share of the OTAs?**

Before COVID, we were in a very good dynamic. For a long time, we had a lot of problems to contain Booking.com's growth regarding our direct channels. We had doubled our investments on these channels, and we achieved to reach the same growth level with ALL, our loyalty program. And we were very happy about it. However, we are still a bit far behind some competitors. The Americans have a very loyal customer base and enjoy a more comfortable position than us. So right now we are catching up.

**Would you say that the goals that were defined at the beginning were filled? In terms of conversion rates and revenue.**

So, it is a never-ending story. Before the COVID, we were very good. We were more and more capable to reach our objectives and if not, to adapt quickly and do something else. We were in a good dynamic and this transformation allowed us to be in line with the objectives of the company.

**Would you the percentage of increase of the conversion rate?**

No, I do not know the detail of the numbers.

**What does Augmented Hospitality mean for Accor and what are the digital implications?**

We want to go further than standard and traditional hospitality. Our loyalty program, ALL (Accor Live Limitless) is the cutting edge of this idea. It aims to provide advantages to the customer. Not only when he stays for the night, but also when he goes to the restaurant or does Co-working in Wojo. Or in OneFineStay. The digital implication is that we want to put the light on the restaurants or new offers that we constituted through acquisitions linked all-together through digital channels to bring a fluid experience regardless of the offer Accor provides. It represents a non-negligible part of our investments, we needed scalable APIs and it is still work in progress. We are at the beginning the materialisation of the digital part of Augmented Hospitality.

**What types of data are collected by Accor and towards which objectives?**

We collect data on the reservations, the clients, and their stories in the group. We also have data on the competition collected and processed by our revenue management teams, especially pricing data. We also collect data about the behaviour of our customers. I think you should ask Interviewee A; he will answer this question far better than me.

**Is there a system that allows these data to be shared across the group?**

There is a huge project with a data lake and a data warehouse to create a platform to ease the exploitation and sharing of data inside the group and make it as performing as possible. It represented a huge pre-COVID investment. But again, that's ask Interviewee A's field and he will answer this question far better because he is in charge of this project.

## **Appendix E – Transcript Interviewee E**

### **The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

So, I have been part of Accor since 2016. It corresponds to the moment where the CEO, Sebastien Bazin put this strategy in motion with heavy investments, especially on our website, accorhotels.com. What led us to implement it was the arrival of several new distributors like Expedia or Booking.com that were already well implanted on the market and constituted a big threat. They used digital tools that were very efficient and therefore took market shares away from us in terms of distribution by taking commissions paid by hotels. They started to grow in terms of market shares on distribution and it was a significant threat for Accor. I think it was the main reason why they launched our website that allowed us to develop as a marketplace, even though it changed a little bit since. But the initial strategy was to compete against the distributors, OTAs, Online Travel Agencies to get our distribution market shares back. Accor planned to distribute hotels that were not part of the group's brands. It was our big project of transformation and investment, especially in digital tools to compete against the online distributors. After that, new means of consumptions arose with the "Uberization" of consumption with companies such as Airbnb that already used very performant digital tools. The arrival of these new companies led Accor to transform. That is for the group. But we also we also transformed the way we operate by having brands offering differentiated offers than standard hospitality. So, we tried to transform and renew ourselves. That is why we offer brands like Joe and Joe or differentiated communication with a better usage of social networks. These competitors were younger and more attractive, that is why Accor had to transform.

### **Do we know the amount of time and the amount of money it took?**

I do not have the figures in mind. The first plan started in 2015/2016. It was an investment plan on three years involving €200m-ish. I am going to look for the exact numbers, it will be simpler. This plan aimed to create an efficient data ecosystem, but also investments on the website to compete against Booking and Expedia amongst others. And then, investments in new brands to create a more well-recognized environment, as Accor was just the head quarter and not a globally well-known brand. These investments aimed to increase the group's notoriety. Internal actions were also taken to increase the digital skills whether it was at the headquarters or in our hotels because it was an aging company with people who did not possess any digital skills oriented towards data. We also wanted to increase the hotels' skills, especially with trainings. I just found the exact numbers. The amount of the investments reached €225m and this strategy was going on until 2018.

**Were there specific and quantifiable objectives and goals that were set? Whether on the revenue aspect or on the internal development?**

On this, I do not have specific numbers, but to give you an idea, we wanted to get market shares back on our direct web channels. It started to increase a lot, depending on the regions but still increased significantly. If we only take web channels, the part of revenue generated from the web for Accor, 50% of it comes from OTAs. The KPI that we set was to make our direct web results to exceed the indirect web generated from OTAs. It really depends on regions, especially if OTAs are implanted in these regions. I know that for a long time, indirect web revenue was above 50% and we are now back at the same level. Especially since we launched ALL (Accor Live Limitless), our loyalty program. It was another significant investment on a digital asset, web and mobile with a huge communication. We hope to be able to get even more market shares back. Besides that, the other goals were a growth in revenue with the rooms per night. It was mostly that and right now we really want our mobile app to grow. Once it's downloaded, we know that the average basket and reservations are even more important. Our initial goal was to make web grow but now the priority will be to make the mobile part grow as well.

**I imagine that there was also an objective linked to the increase of conversion rates.**

Absolutely. I work in acquisitions and it is something that we look at constantly. Our main objective being to generate more revenue, the revenue is directly based on our conversion rates. Therefore, it is one of the main KPIs that we use. In my team, we do not have much impact on it, however, we have strong bonds with IT teams to constantly optimise it.

**The following question was about the different steps taken during the implementation of this strategy, but you have already given me answers on the plan. My next question comes in two parts. I would like to know if there were new industries, sectors in which Accor developed, other than traditional hospitality and room selling? And did Accor consolidate itself on some key digital skills and competencies? And if yes, which one?**

So, the plan I was talking about was the original plan when I arrived, 2016/2018 and the main idea was to create a marketplace. But in the end, they realized it was very complicated to compete against Booking and Expedia, therefore the strategy evolved and we re-focused on the brands of the group. It was a second wave of transformation when Maud Bailly arrived, our current CDO. She launched an "Impact" strategy. We expanded on different business lines. Of course, we had hospitality with hotels and restaurants but expanded elsewhere, especially in B2B businesses. We acquired a company called FastBooking that allowed independent hotels to develop digital services.

They changed their name recently. They proposed services to independent hotels to develop digital tools like websites. Another line was concerned catering, concierge, etc. To try to develop new businesses. When Airbnb came to the market, we also bought a company called OneFineStay that allowed us to implant in luxury private rental. So yes, we tried to develop in other businesses in case where standard hospitality's importance would decrease.

**And in terms of digital skills?**

What do you mean?

**I mean, were there specific profiles that Accor needed to hire, for instance in analytics, web marketing. What kind of persons were hired and what is expected from them?**

When I arrived, in the middle of this transformation, there was only one e-commerce department that gathered all of marketing, IT, Analytics, etc. Many people from different backgrounds worked on the website. When Maud Bailly (CDO) arrived, she changed the strategy and organisation. She created business-oriented teams in marketing and digital that took care of acquisitions and customer relations, etc. But also, an IT team that managed projects and information systems. A big team was hired. I do not have as much information about this, but I know that many people came from SNCF or other big companies. Those people were experts in what they do, with significant backgrounds. A Data team was also created, that focused on BI and Analytics and a Product team that focused on UX, Google Analytics to optimise the group's digital assets. These people were hired to create expertise centres. Currently there is a big Data topic that being discussed and implemented, and people have been recruited. It is a complicated period, but we are trying to develop a new data lake together all of Accor's data to reach a new point in term of data gathering and utilisation.

**Is that the Accor Customer Digital Card?**

No, it is called Snowflake. It will gather all the data of the whole group for a better usage and access.

**Ok, very good. Were there new revenue streams or ways to generate value that were enabled by digital?**

On the acquisition level, once the website was more efficient and that the conversion rates increased thanks to the hiring of experts, we created marketing campaigns and optimised them. Since I arrived in 2016, the revenue significantly increased thanks to these optimisations and the fact that we offer new digital products and that our digital assets are more efficient. The revenue mainly increased thanks to the increase of conversion rates and investments made in CRM to improve communication.

We noticed a significant increase in revenue, especially at the global level when we look at all of our channels, whether it is on the web or people coming directly to our hotels.

**My next question was on success measurement and was very linked to what you just told me about conversion rates and increases in revenue. But do you know, if it is possible, the increment value of the conversion rate?**

So, I have the conversion rate of our acquisition channels, since that on what I work, especially on Search, Metasearch, Display Paid Social. I know that the global level, there was a moment where the conversion rate increased on our campaigns through a project called Link. Where all the brands were all gathered under the Accor website. Once it had been done, the conversion rate that was around 3%-4% dropped because we lost the history of some of our campaigns and Google penalised us on this and thus, the click and conversion rates decreased. However, once the ecosystem had fully been developed and the campaigns had been reactivated, the website stabilised, we saw an increase in terms of reservations. Right now, we are at a bit more than 5%. This project really helped to increase it.

**Very well. So, to be clear, the conversion rate means that when a person visits the website, we want to know if it translates in a reservation.**

Absolutely. We measure it in reservations by comparing the number of clicks generated by our campaigns to the number of bookings.

**Today, digitally speaking, where does Accor stand regarding its historic competitors or its new digital competitors like OTAs or Airbnb? Is it leading or lagging behind. Are there projects making it more competitive regarding competitors?**

Regarding our historic hotel competitors, our biggest competitor is Hilton and they are a little bit in front of us. I am speaking globally. They are a bit more performant on their websites and they implemented the same loyalty strategy, ALL, than us but one year earlier. Their transformation is more advanced and since it is a bigger company, they have more resources. However, Accor is evolving at the same pace. For the Chinese competitors, they're more advanced in IT and have more resources and technical skills but I don't think there are big differences. Maybe brands or groups emerged in the last 10 years had a big growth because they started from the scratch and could evolve more freely with more flexibility, even though I do not have a specific example in mind. These new brands must offer more efficient solutions than what standard hotels do. For distributors, Expedia, and Booking, in terms of web performances, we know that their conversion rates are way higher than ours, because they are really focused on their website and conversion oriented. Their

performances are better. The new start-ups of born-digital companies are more efficient, and they use their notoriety. Additionally, they do not have many structural costs so they can directly re-invest their commissions in their digital assets and communication.

**Would you say the objectives that were set for this transformation were completed? In terms of revenue and conversion rates increases and in taking market shares from OTAs?**

Yes, Accor really came back. Of course, it changes regionally. But in Europe, we are leaders and we have many assets in terms of distribution thanks to our investments. Our cultural transformation allowed us to develop new offers, but also to buy brands in new sectors or brands, especially in luxury. Our offers increased and our mix is more diverse. But the COVID-19 really stopped us right now. Since Sebastian Bazin arrived, many things improved. Before, our headquarters were in Evry and it was difficult to attract talents and experts because we were not in Paris. Now we are in Issy-Les-Moulineaux, so directly at the border of Paris. Thus, new people with a lot of competencies arrived. Compared to the rest of standard hotels, we are moving like the others even though we are a bit late compared to some other pure players. But the largest part of our objectives was completed, and we are alright.

**You mentioned some of the acquisitions made by the group on digital companies. You talked about the company that develops websites for independent hotels, were there other digital services acquisitions and if yes, in which sectors? What do they offer?**

Yes, there were several. I do not remember them all. There was FastBooking but there was another important one, more data-oriented called D-Edge. It was created to offer all the solutions to improve and maximise hotels revenues. It is made of several companies that merged together to regroup their offers in one (booking, data intelligence, connectivity hubs, digital marketing, web creation and guest management). I do not know all the details because we work rarely with them.

**Today What are the products Accor markets of the web? Is it only hotels or does the group offer more?**

So, we obviously have hotel rooms. We try to do it on restaurants, but it is not fully developed. We also have concierge services. What we call offers of additional or complementary services. We offer it when we have a hotel room booked, we will send additional offers like for a spa or gyms, swimming pools. It still revolves around hospitality, but it comes to complete it.

**And all these offers like concierge services are available on the website? Or do we have to go through a third party?**

No, it is available through a company called John Paul that Accor acquired a few years ago and they do their own advertising even though we make some campaigns for them as well. On the website you can, book a room, breakfasts and we are trying to implement complementary offers like spa, etc and restaurants. But currently, it is a bit complicated to book a room on the website and then to add the restaurants or spa parts. It is not extremely fluid and currently one of the big projects to be able to have everything in the same basket.

**In terms of digital marketing, what are the channels you use? For communication and transaction.**

For us, in acquisitions, we mostly work on transactions. We have SEA (Search Engine Advertisement), Metasearch that gathers Central Strategic Accounts (pricing comparators – Trivago...), Re-targeting, Display and Paid Social. We also focus on SEO and free referencing on pages like Google My Business. We involved in this channel recently. The content part of SEO is managed by another team. And direct access as well.

**What do you mean by Direct Access?**

Oh, it is just when you directly type the URL in the navigator's search bar. We also have minor tools. For instance, hotels can have a mini website that is independent from Accor's main website. D-Edge takes care of it. It is not our best channels but bring a bit of traffic. These are the acquisition channels. On the indirect web part, Expedia and Booking generate the transactions. Or people going directly in the hotels' receptions, but also call centres or booking centres like Amadeus. We also have marketing relationship, which is a transaction and communication channel. It contains client's databases where we communicate and send newsletters or emails, especially with our new loyalty program, ALL. On communication, we also do a lot of TV advertising, but also banners on websites. We use re-targeting, once a person has already been on our website. But communication is mainly handled by the brands rather than by the headquarters.

**In Web Marketing, on which indicators do you focus to evaluate the success of the company?**

So, there is the conversion rate but the KPI we look at the most is Return on Investment. We are challenged by our acquisitions and projects, so we mostly look at the ROI.

**Per campaign?**

No, not per campaign. Well we can, but we handle more than 6 million campaigns. But we go regionally or on the nationality of the targeted people. It can also be on brands. We will go to the campaign level, only if we have a major problem on it. Most of the time we stay at a macro level.

**Do you have a benchmark logic regarding competition?**

Yes, we are constantly looking at it. We are currently discussing Voice Search that is starting to be widely used in the United States. And American brands have started to launch a lot of campaigns on it. Since the American market is not our biggest one, we have not moved on it yet. However, its is one of the solutions we are looking to implement in the future. We look at everything that can improve our ROI and the customer experience. We participate in many conventions to look at the new tools and opportunities we might need in the near future.

## **Appendix F – Transcript Interviewee F**

**The first question that came into my mind was what were the different reasons, opportunities, threats, or observations that pushed Accor to implement a digital strategy?**

It is a big question. I have an IT point of view; therefore, I will answer on what advantages we can draw from it on this side. We realised that we were lagging behind on the IT part of our distribution systems. And we started to work and to transform our information systems something like five years ago with a big digital transformation plan. It came from the observation that we were a bit behind, especially in the hospitality industry where we are more oriented towards selling rooms. We realised that digital transformation could bring us more business, speed, fluidity and move towards an even greater customer satisfaction. This is how I see it at my level. We re-organised in order to transform. Transformation was really oriented towards business, technology, and organisation.

**Were there specific threats from competition?**

Yes of course. Accor is really well ranked in the hospitality industry. Big players started a digital transformation strategy as well and sometimes we have to follow. However, we were good because we anticipated this transformation very well. There is what we call direct hotel competition, or our historic competitors (Marriott, Hilton, etc.) and then booking companies, OTAs. But also, Airbnb that allowed private rental. New styles of competitions arose, and it really pushed us to digitalise our infrastructure.

**In the previous conversations I had, I learnt that Accor really focused on the reduction of OTAs' market shares.**

Yes, it is true. These reservations websites and offers aggregators are part of the biggest competitors. We started to move to the web between 2000 and 2005. I was funny because when we published numbers, we broke all our records because we went from one online reservation to three. And then all the competitors born from digital arose and became a big problem. They just proposed another layer where the aggregate prices where they got a lot of business. The accumulation of external factors such as the Online Travel Agencies, private rentals like Airbnb and finally, the digital transformation of our historic competitors really pushed us to transform as well.

**Were there specific objectives and goals that were set in terms of sales, organisation, conversion rates?**

Yes, however, I do not know if I am the best person to talk about that. At some point there was a huge interest to increase direct business. It aimed to retrieve as many clients as possible through our own channels, like our websites. We had to work a lot on these channels but that it was not enough to efficiently compete against these new players. We wanted everything to go through the Accor.com website but it did not really work.

We realised that in order to succeed, we had to adapt to these new competitors and become multi-channel and to be able to analyse and detect who goes through which channel to offer more precise offers to these customers. We now aim to identify which users use which channels and then, bring them to our system. But strategy evolved. I am not enough business oriented to answer this question properly. However, what we do on the IT side, is that we aim to create environments that allow us to gather and treat data efficiently. Especially on what we call WelcomeConnect, which is considering our environments as APIs to allow our hotels to directly get plugged on it. But on the strategy, itself, the risks are huge and multiplied through the years.

**What was the shape of digital transformation in Accor? What were the different steps it took?**

I will try to remember that properly. I do not know if those are exact steps, but I will give you the general ideas. It was really like project steps. We started by making a lot of studies and used consultant to really narrow and identify what would digital transformation mean for the hotel industry.

Another part aimed to communicate and explain the potential benefits Accor could get from it because it implied huge transformation within the group. Then we had to transform our organisation. For instance, the teams evolved. We already had Business teams, but we completed them with Product and IT teams. We aimed to become service providers and to work as Feature Teams, and towards agility.

We also had a whole phase of cultural transformation because the hard part is not the technological implementation or to start working in an agile way rather than in a V-Model, but it is really to change the mindsets within the company. You know, within these big groups it is a bit like public administration, there are many layers and changing the mindsets is really the big issue, and that to be said, it is not complete in Accor.

So, there was this organisation part, but also changing our processes. Once it was done, we had to change our digital tools and make our architecture evolve, whether it was functional or technical. We had to re-think our ways to do business, what were the functional aspects of our transformation, and then what technological changes would be implied by these functional evolutions. On the IT side, we

declined different several tools. WelcomeConnect is an abstraction layer between Front-end and Back-end to move towards a transformation of our systems to APIs. There is also WelcomeData which I am in charge of where we retrieve and use data.

**Were there new industries or sectors that Accor was able to penetrate thanks to digital?**

Yes, absolutely. Especially because we make a lot of partnerships and we are right in the middle of it. Technologically speaking, that is what we are currently doing; to be able to exchange data between partners and subdivision. I do not know if we really penetrated new markets because we already have our big axis with hotels but also with restaurants that is not developed enough.

We wanted to develop local businesses around hotels. Hotels are just a physical place, but many smaller businesses can be linked to it. Initiatives were made. I do not know if it thanks to digital transformation, however it allowed us to interact with other businesses and industries. We are really developing our partnerships to provide our clients with additional services, especially with our loyalty program. Digital transformation allows us to offer digital services, exchange, communicate and offer new services with our customers. This part is really pushed right now. Most of it works with ALL (Accor Live Limitless), our new loyalty program. And digital transformation brings us additional business.

Digital transformation was a pretext to put money to catch up technologically, re-think business thanks to technology. It costs a lot of money and everybody must do it, otherwise, they will lag behind. We do not send letters anymore. Digital transformation had already started but we realised we had to put a lot of money on the table to embrace it and draw benefits from it.

**Did Accor acquire digital services formerly proposed by third parties or did it develop them internally, and if yes, which ones and in which sectors?**

Yes, we did. We acquired a few digital companies such as D-Edge and others that I do not remember the name. We started to shoot a bit everywhere by buying born-digital companies to help the acceleration of our growth. We also re-organised and digitalised the information systems. So, we had a logic of acquisition, but also to become service providers and to re-organise ourselves. We also use third parties. For instance, for data cloud-storage, we chose to lean on AWS because they already had this knowledge. But we keep a core that is directly piloted by Accor.

**Were there digital sectors in which Accor had to consolidate itself? And if yes, which ones?**

Yes, there were several axes. In IT, we had a plan of internalisation of expertise. It is currently frozen because of the current situation though. Like many companies, we leant a lot on consulting firms to

help us to get the right person and the right skills at the right time. However, we decided to internalise some of the areas of expertise and to internally recruit. We also had to do a lot of training and we learnt a lot on consultants.

**Ok, for instance we Accor started to do data analysis, were there already an internal department in charge of it that just supervised consultants or were they all from Accor?**

Yes, it started like that. At the beginning, many people in the companies were consultants. Data scientists were not exactly data-scientist. They became data-scientist when the area developed. However, we still had internal people who had more visibility on the project and they we gained more competencies. What we do now, is that we trained internal employees on key technologies. Some of our team members are former consultants we hired.

**Did this transformation result in benefits for the group?**

Yes, obviously. However, it is extremely hard to quantify. For instance, for data analysis, we are always asked what is really brings to the company. We can estimate amounts. However, it remains estimations. The real key is the revenue increase. We earn far more money in 2020 than in 2018. Digital transformation is a whole thing in itself, if you do not follow, we would not get as much business. To quantify it is an excellent question, however it is extremely complicated because all the projects have different outcomes.

**I will reverse the question. What would have been the opportunity cost of not doing it?**

In my opinion, honestly, in the case of Accor, we would be out of business. Or we would at least do down in the Top 50 or Top 100 when we currently are in the Top 10. If you do not follow, we would lose all the exchange part; we could not work with our partners, web and mobile does not work the same as it did a few years before. We do have to follow. We invested heavily in it, but it is an ever-changing environment and digital transformation is a never-ending process. Therefore, we have to unlock funds every year. If it had not been done, we would be in the Top 100, if you consider marketing, our customer and even our reputation. Imagine our clients seeing that they cannot book online. A CAC40 company like Accor that does not digitally transform would necessarily go out of business.

However, exactly quantify its benefits is almost impossible. We can make the easy comparison between the evolution of revenues within a range of years, but you can make numbers say whatever you want. If we had not followed, we would not have had the opportunities we have today in terms of tools or processes.

**Where does Accor stand, digitally speaking regarding its competitors? The historical TOP 10 competitors, the OTAs and the sharing economy. Did the gap shrink or grow?**

I think we are good. Sebastien Bazin, the CEO, commands his boat very well. Well it is not a boat, more like an aircraft carrier. Many people in the company say that we evolve the right way. We are not first but we are not really lagging behind. There is a difference of budget allowed to digital within companies. If you take Airbnb, they are only the upper layer, they are a website.

When we manage hundreds of hotels. Everybody dreams to be only a proxy because you make a lot of money without having to do the hard work. By these companies, we are seen as people who enormous resources for small outcomes. We can position ourselves regarding our historic competitors and other companies of the Top 10 have bigger budgets than us. However, positioning regarding OTAs or private rentals is complicated because it is really not the same job.

**Now I would like to talk about data utilisation. What kind of data are being collected by the group, in what circumstances and towards which objectives?**

We already gathered data oriented towards business intelligence. Now have we have hubs to gather data, store it, treat it. Then we provide the company with a data warehouse where we can explore this data. Then we have all the financial data and customer data. These are internal data and we do not do it in real time, but we update everything several times a day. This data is really oriented towards analysis and results to know where we are and what happens in the group. Our new environments even allow us to forecast. We also gather external data such as Google Analytics, social data, weather for big events. We gather both internal and external data and regroup it, unify it, and draw value out of it.

**Today, how are this information shared inside the company?**

Hotels are really demanding for data sharing even though we put them aside for a little while. Most of the data is shared at the region level and in the different businesses of the group. They either get it in our environments or as a DataMart or as a report.

**How does the Accor Customer Digital Card work?**

It is an old project. It will gather many data and formalise it. Everybody in Accor will be able to access the same data.

## Appendix G – Email Interviewee C – ALL – Objectives

Interviewee C sent complementary information regarding the project ALL – Accor Live Limitless’ objectives and ambitions. Here is the translation of the email containing the information.

RE: [Entretien] [Documents]



[REDACTED]@accor.com>

15/07/2020 15:03



À :



20181019 - External benchmark...  
2,58 Mo

Bonjour [REDACTED]

Toutes mes excuses pour le délai.

Je suis partie quelques jours et je n’ai pas eu le temps de t’envoyer le détail avant

Tu trouveras ci-dessous :

- Les ambitions du programme ALL décidé au lancement du projet (début 2019)
  - o GUEST RPS: +3pts (from 82 today to 85 in 2022) → Taux de satisfaction de nos membres
  - o Direct Web Revenue: +9% in 2022 → Part des revenus générés par notre site web directement [all.accor.com](http://all.accor.com)
  - o Loyalty Contribution: 40% in 2022 (31% today) → Part des revenus de nos membres (hôtels, restaurants, meeting...)/ part des revenus Accor
  - o Increase Partner, ancillary & subscription rev.: 100M€ in 2022 (5M€ today) → Part des revenus générés via nos Partenaires type Air France, EuropCar.... (recrutement de nouveaux membres, points dépensés chez nos partenaires, revenus générés par nos membres seulement.....)

Et ci-joint :

- Une présentation sur notre concurrence et quelques chiffres clés (à garder confidentiel de ton côté s’il te plaît) :Loyalty, Distribution, web revenue

N’hésites pas si tu as des questions,

Hi,

All my apologies for the delay. I was away for a few days and did not have the time to send you more detail before.

You will find below:

The ambitions of ALL that were decided at the beginning of the program (early 2019):

- GUEST RPS: +3pts (from 82 today to 85 in 2022) → Satisfaction rate of the members.
- Direct Web Revenue: +9% in 2022 → Part of the revenue generated directly from the website [all.accor.com](http://all.accor.com).
- Loyalty Contribution: 40% in 2022 (31% today) → Part of revenue generated by our members (hotels, restaurants, meeting...)/ Accor’s revenues.

- Increase Partner, ancillary & subscription rev: 100M€ in 2022 (5M€ today) à Part of revenue generated via partnerships like Air France, Europcar.... (recruiting new members, loyalty points spent in our partners' systems, revenue generated only by our members).

And find attached:

A presentation on our competitors and a few key figures to keep confidential on your side, please. These figures are related to loyalty, distribution, and web revenue.

Do not hesitate to contact me if you have more questions.

**[No information from that benchmarking presentation was disclosed in this paper]**

## **Appendix H – Documents**

These complementary documents are each very long in term of number of pages. To keep the present paper more concise, the link to the file is provided rather than the complete file.

**Accor launches its digital transformation “Leading Digital Hospitality”** (AccorHotels, 2014a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030\\_cp\\_accor\\_digital\\_day.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030_cp_accor_digital_day.pdf)

**Accor leading digital hospitality presentation** (AccorHotels, 2014b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030\\_accor\\_leading\\_digital\\_hospitality\\_presentation.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2014/10/30/20141030_accor_leading_digital_hospitality_presentation.pdf)

**Full-Year 2014 Results presentation** (AccorHotels, 2015c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/02/18/20150218\\_presentation\\_annual\\_results\\_2014.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/02/18/20150218_presentation_annual_results_2014.pdf)

**Accor accelerates its digital strategy by taking over FASTBOOKING** (AccorHotels, 2015a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/04/17/cp\\_accor\\_fastbooking\\_avril2015.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/04/17/cp_accor_fastbooking_avril2015.pdf)

**AccorHotels accelerates its transformation** (AccorHotels, 2015b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/06/03/accorhotels\\_cp\\_pdm\\_20150603\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/06/03/accorhotels_cp_pdm_20150603_fr.pdf)

**Transformation plan benefits confirmed by first-half 2015 results** (AccorHotels, 2015d)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/08/06/20150730\\_accorhotels\\_pr\\_results\\_h12015.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2015/08/06/20150730_accorhotels_pr_results_h12015.pdf)

**Excellent 2015 results reflecting the benefits of the transformation plan** (AccorHotels, 2016c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/02/18/cp\\_accorhotels\\_resultats\\_2015\\_vdef.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/02/18/cp_accorhotels_resultats_2015_vdef.pdf)

**Full-Year 2015 Results presentation** (AccorHotels, 2015c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/02/18/accorhotels\\_fy2015\\_results\\_finaldef.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/02/18/accorhotels_fy2015_results_finaldef.pdf)

**AccorHotels becomes a world leader in the luxury Serviced Homes market by acquiring OneFineStay** (AccorHotels, 2016a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/04/05/20160405\\_onefinestay\\_vfinal\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/04/05/20160405_onefinestay_vfinal_fr.pdf)

**Solid first-half 2016 results driven by the transformation plan** (AccorHotels, 2016d)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/07/27/accorhotels\\_cp\\_resultats\\_s12016\\_fr.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/07/27/accorhotels_cp_resultats_s12016_fr.pdf)

**AccorHotels finalizes acquisition of John Paul, the world leader in the concierge market** (AccorHotels, 2016b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/11/16/cp\\_accorhotels\\_jpclosing\\_fr\\_nov2016\\_final.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2016/11/16/cp_accorhotels_jpclosing_fr_nov2016_final.pdf)

**Full-Year 2016 Results presentation** (AccorHotels, 2017d)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/02/24/ah\\_fy2016\\_results\\_final\\_en.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/02/24/ah_fy2016_results_final_en.pdf)

**AccorHotels acquires VeryChic, a European leader in the private sale of luxury and upscale hotel rooms and breaks** (AccorHotels, 2017a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/04/03/PR\\_AccorHotels\\_VeryChic\\_Avril-2017\\_final\\_170403\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/04/03/PR_AccorHotels_VeryChic_Avril-2017_final_170403_EN.pdf)

**Nextdoor aims to be the European leader in new collaborative workspaces** (AccorHotels, 2017e)

<https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/07/25/Nextdoor-new-collaborative-workspaces.pdf>

**AccorHotels signs an agreement to acquire Gekko, the specialist in hotel distribution solutions for business travellers** (AccorHotels, 2017c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/10/02/02102017\\_PR\\_AccorHotels\\_Gekko\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/10/02/02102017_PR_AccorHotels_Gekko_EN.pdf)

**AccorHotels celebrates its 50th anniversary** (AccorHotels, 2017b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/11/15/20171115\\_PR\\_AH-50th-anniversary\\_AccorLocal\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2017/11/15/20171115_PR_AH-50th-anniversary_AccorLocal_EN.pdf)

**Full-Year 2017 Results presentation** (AccorHotels, 2018c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/02/09/20180221\\_PresentationFR\\_ResultatsAnnuels2017.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/02/09/20180221_PresentationFR_ResultatsAnnuels2017.pdf)

**AccorHotels acquires ResDiary, a leading platform for restaurant reservation & table management** (AccorHotels, 2018a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/04/09/PR\\_AccorHotels\\_ResDiary\\_April2018\\_Final.pdf?la=en&hash=8ADCAD4607A24CEF4B2A2A18B7CAA3B6](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/04/09/PR_AccorHotels_ResDiary_April2018_Final.pdf?la=en&hash=8ADCAD4607A24CEF4B2A2A18B7CAA3B6)

**AccorHotels completes the acquisition of its Paris head office building** (AccorHotels, 2018b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/10/25/PR\\_AH\\_AcquisitionSequana\\_251018.pdf?la=en&hash=870EE1F649F2E81EFD BAC67D8069BE1E](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/10/25/PR_AH_AcquisitionSequana_251018.pdf?la=en&hash=870EE1F649F2E81EFD BAC67D8069BE1E)

**ALL, Accor's new lifestyle loyalty program, becomes Principal Partner and jersey sponsor of Paris Saint-Germain Football Club** (AccorHotels, 2019c)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PSG\\_ALL-REVEAL\\_210219\\_ENG.PDF](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PSG_ALL-REVEAL_210219_ENG.PDF)

**Full-Year 2018 Results presentation** (AccorHotels, 2019d)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/11-27-CMD/20181127\\_AccorHotels\\_Presentation\\_CMD\\_EN.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2018/11-27-CMD/20181127_AccorHotels_Presentation_CMD_EN.pdf)

**Unveils new lifestyle loyalty program** (AccorHotels, 2019f)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PR\\_ALL\\_210219.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/02-21-FY/PR_ALL_210219.pdf)

**Accor is positioned as global leader in the lifestyle sector** (AccorHotels, 2019a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/03/04/PR\\_Dev\\_040319.pdf?la=en&hash=7ECADA00A20471A9ED6367FE9F34AD9D](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/03/04/PR_Dev_040319.pdf?la=en&hash=7ECADA00A20471A9ED6367FE9F34AD9D)

**Air France-KLM and Accor announce new enhanced loyalty program partnership with more rewards for their joint customers** (AccorHotels, 2019b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/06/20/Accor\\_PR\\_Miles\\_and\\_Points\\_EN.pdf?la=en&hash=5F893EF3C68A6AB74A4A4436B286D7DC](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/06/20/Accor_PR_Miles_and_Points_EN.pdf?la=en&hash=5F893EF3C68A6AB74A4A4436B286D7DC)

**Successful completion of the asset-light roadmap** (AccorHotels, 2019e)

<https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2019/12/16/Accor-Use-of-cash-proceeds-16DEC2019-Final.pdf?la=en&hash=6BCA9E881D2373DAC81EDBAE78B19525>

**Accor and Visa form global partnership** (AccorHotels, 2020e)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02/18/PR\\_Accor\\_Visa\\_1801.pdf?la=en&hash=9FA798B73BCF0C7BCB26DB6F31238E44](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02/18/PR_Accor_Visa_1801.pdf?la=en&hash=9FA798B73BCF0C7BCB26DB6F31238E44)

**Full-Year 2019 Results presentation** (AccorHotels, 2020f)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02-20-FY/Accor\\_FY19\\_Results\\_20022020\\_Presentation.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/02-20-FY/Accor_FY19_Results_20022020_Presentation.pdf)

**Trading Update & response to Covid 19** (AccorHotels, 2020g, p.19)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/04/02/Accor\\_PR\\_Trading\\_Update\\_04022020.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/04/02/Accor_PR_Trading_Update_04022020.pdf)

**Accor – Condensed consolidated financial statements and notes June 30, 2020** (AccorHotels, 2020b)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/Plaquelette-semestrielle-30-juin-2020\\_VA.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/Plaquelette-semestrielle-30-juin-2020_VA.pdf)

**2020 First-half results presentation** (AccorHotels, 2020a)

[https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/ACCOR-H1-20-results-presentation\\_VF.pdf](https://group.accor.com/-/media/Corporate/Investors/Documents-financiers/2020/08-04-H1/ACCOR-H1-20-results-presentation_VF.pdf)

**Appendix I – Coded Data**

<b>C_REASONS</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
OTA	Starting point was the taking of market shares from intermediaries that we also call “OTAs” that are the Online Travel Agencies. The most renowned being Booking.com and Expedia with a growing market share.	INTERVIEW	Interviewee B	
OTA	OTAs are our principal competitors today, but we differ in the sense that they are price oriented when we are focusing on services.	INTERVIEW	Interviewee C	
OTA	Inside our competitors, there are several actors to consider. First the rise of Booking and Expedia, that we call OTAs (Online Travel Agencies). These players did not exist thirty years ago, therefore, the whole distribution process was controlled by the hotels.	INTERVIEW	Interviewee A	
OTA	Right now, hotels are heavily challenged by these OTAs who gather more and more market share in distribution and take fees on reservations that can vary between 10% and 15%. It applies to all the hotel brands and are margins are reduced because parts from the revenue on each reservation goes to the distributor.	INTERVIEW	Interviewee A	
OTA	Technologically speaking, reservation systems are getting cheaper and cheaper. Some hotels directly plug their system on Expedia’s. And there was also another threat and not the least important, the rise of Airbnb and the sharing economy where distribution is digitalised.	INTERVIEW	Interviewee A	

OTA	The main problem was the digital competitions for the OTAs (Booking.com / Expedia) have growing market shares and bring a significant part of the business to the hotels. Knowing that our main clients are hotels, the Online Travel Agencies are in direct competition with our channels weather it is our websites or our mobile apps.	INTERVIEW	Interviewee D	
OTA	What led us to implement it was the arrival of several new distributors like Expedia or Booking.com that were already well implanted on the market and constituted a big threat. They used digital tools that were very efficient and therefore took market shares away from us in terms of distribution by taking commissions paid by hotels. They started to grow in terms of market shares on distribution and it was a significant threat for Accor.	INTERVIEW	Interviewee E	
OTA	Accor is really well ranked in the hospitality industry. Big players started a digital transformation strategy as well and sometimes we have to follow. However, we were good because we anticipated this transformation very well. There is what we call direct hotel competition, or our historic competitors (Marriott, Hilton, etc.) and then booking companies, OTAs. But also, Airbnb that allowed private rental. New styles of competitions arose, and it really pushed us to digitalise our infrastructure.	INTERVIEW	Interviewee F	
OTA	These reservations websites and offers aggregators are part of the biggest competitors.	INTERVIEW	Interviewee F	
OTA	They just proposed another layer where the aggregate prices where they got a lot of business. The accumulation of external factors such as the Online Travel Agencies, private rentals like Airbnb and finally, the digital transformation of our historic competitors really pushed us to transform as well.	INTERVIEW	Interviewee F	

OTA	Accor brought together 100 analysts, hoteliers, consultants and journalists in London to explain how it now has the operational strength and size to regain bookings ground from OTAs.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	Absolutely I still believe OTAs eat too much,” Bazin answered, “but Accor is growing and is in a position to recalculate the value we can provide against that of the OTAs.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	His comment then was that “reclaiming that space is about measurement, risk and pricing. ... OTAs are a great innovation, but if you are big enough, and Accor is, you have to control your destinations.”	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	Bazin said he wants Accor to reverse the direct-versus-indirect booking percentage from the current 60/40 figure favoring OTAs.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	He said smaller chains and independents have had to fire their commercial directors and stop printing brochures because earnings have dwindled due to OTA commissions and money lost to other disruptive technologies—in his opinion a downward spiral only chains and brands can fight.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	Maud Bailly, AccorHotels’ chief digital officer, explained the six ways the French hotel company is transforming its digital offering to better serve guests and ultimately to take share away from OTAs	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels</a>

				-is-transforming-its-digital-strategy
OTA	Bailly said working to becoming a distribution player in the same weight class as the OTAs is still challenging	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
OTA	Bailly said any digital strategy to compete with OTAs must have the right muscle, which must be ultimately structured to provide better guest experiences.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
OTA	By increasing inventory, the idea is that traffic will follow. Even if the user is not booking with an AccorHotel, at least they are not offering loyalty to an OTA.	WEBSITE	Nick Vivion	<a href="https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents">https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents</a>
OTA	The bet is that this then translates to better margins by reducing the volume of bookings leaking over to OTAs, and thus making a dent in the 10-20% commissions paid by most hotels to the middlemen OTAs.	WEBSITE	Nick Vivion	<a href="https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents">https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents</a>

OTA	The tug of war facing hotels as they try to balance between more profitable direct bookings and guests acquired via third parties like online travel agencies (OTAs) has been a defining news story over the past several years.	WEBSITE	Accor	<a href="https://group.accor.com/en/Actualites/2019/05/d-edge-evolution-online-hotel-distribution-europe-report">https://group.accor.com/en/Actualites/2019/05/d-edge-evolution-online-hotel-distribution-europe-report</a>
OTA	Wholesalers and OTAs Are Grabbing Market Share from Direct Booking	WEBSITE	Accor	<a href="https://group.accor.com/en/Actualites/2019/05/d-edge-evolution-online-hotel-distribution-europe-report">https://group.accor.com/en/Actualites/2019/05/d-edge-evolution-online-hotel-distribution-europe-report</a>
OTA	But there are two observations that were made, the competition and the advantages it could provide us in terms of revenue. However, I would not be surprised if it were mostly driven by external factors, so mostly competition.	INTERVIEW	Interviewee A	
PRIVATE_RENTAL	And there was also another threat and not the least important, the rise of Airbnb and the sharing economy where distribution is digitalised	INTERVIEW	Interviewee A	
PRIVATE_RENTAL	And we are also challenged by Airbnb and equivalent private rental brands	INTERVIEW	Interviewee A	
PRIVATE_RENTAL	After that, new means of consumptions arose with the “Uberization” of consumption with companies such as Airbnb that already used very performant digital tools. The arrival of these new companies led Accor to transform	INTERVIEW	Interviewee E	
PRIVATE_RENTAL	Currently, competition is mainly shaped by hotels, the big hotel groups like Hilton and Marriott. With our new program, we are opening to new experiences and new competitors emerged like Airbnb, GetYourGuide where we are addressing a larger competition through experience.	INTERVIEW	Interviewee C	

PRIVATE_RENT AL	Competition broadens. I do not know if you saw but Airbnb started to offer more experiences as well and it is going to be one of our main competitors in the near future.	INTERVIEW	Interviewee C	
PRIVATE_RENT AL	These competitors were younger and more attractive, that is why Accor had to transform.	INTERVIEW	Interviewee F	
PRIVATE_RENT AL	Additionally, the more distant threat from Airbnb or private rental companies must be added the OTAs because they can likely take B2C clients from us that could go in a hotel. Mostly because Airbnb's website is easy to use compare to Accor's.	INTERVIEW	Interviewee D	
PRIVATE_RENT AL	Capital markets seem to value Airbnb based on the volume of travelers and clicks whereas Accor is valued on its earnings and income. Consequently, Airbnb's market cap is superior to Accor's even though Airbnb doesn't own any real estate. This uneven playing field provides Accor with a tremendous challenge as it tries to grow and move as quickly as Airbnb but is held back by its weight.	WEBSITE	Daniel Lebret	<a href="http://blog-mba-hospitality.essec.edu/2015/03/accor-vs-airbnb.html">http://blog-mba-hospitality.essec.edu/2015/03/accor-vs-airbnb.html</a>
PRIVATE_RENT AL	Accor and Airbnb target similar markets however differ substantially in terms of service offerings.	WEBSITE	Daniel Lebret	<a href="http://blog-mba-hospitality.essec.edu/2015/03/accor-vs-airbnb.html">http://blog-mba-hospitality.essec.edu/2015/03/accor-vs-airbnb.html</a>
PRIVATE_RENT AL	In the same way Bazin declared that Airbnb had "impacted" Accor in 2016, less in 2017 and less in 2018. His belief was that Airbnb had "lost its soul", becoming "volume driven, not emotion driven."	WEBSITE	Tom Otley	<a href="https://www.business-travel.com/business-travel/2018/02/22/airbnb-lost-soul-accorhotels-ceo/">https://www.business-travel.com/business-travel/2018/02/22/airbnb-lost-soul-accorhotels-ceo/</a>
PRIVATE_RENT AL	Another threat Bazin is aware of is from sharing-economy platforms such as Airbnb.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-</a>

				from-OTAs
PRIVATE_RENTAL	“For 60 years hotels have only thought in terms of product plus brand, but the Airbnbs think in a completely opposite way. They think customers,” Bazin said.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
CUSTOMER	Something I did not mention, we are challenged by the other players, but the customer is also evolving. His expectations have changed and is far more digitalised than before.	INTERVIEW	Interviewee A	
DIGITAL EXP	We made the observation that the Digital experience of Accor was not good enough.	INTERVIEW	Interviewee B	
DIGITAL EXP	We realised that we were lagging behind on the IT part of our distribution systems.	INTERVIEW	Interviewee F	
DIGITAL EXP	It came from the observation that we were a bit behind, especially in the hospitality industry where we are more oriented towards selling rooms. We realised that digital transformation could bring us more business, speed, fluidity and move towards an even greater customer satisfaction.	INTERVIEW	Interviewee F	
DIGITAL EXP	Accor is really well ranked in the hospitality industry. Big players started a digital transformation strategy as well and sometimes we have to follow. However, we were good because we anticipated this transformation very well. There is what we call direct hotel competition, or our historic competitors (Marriott, Hilton, etc.) and then booking companies, OTAs. But also, Airbnb that allowed private rental. New styles of competitions arose, and it really pushed us to digitalise our infrastructure.	INTERVIEW	Interviewee F	

<b>C_GOALS</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
CATEGORY	INFORMATION	TYPE	AUTHOR	LINK
BUSINESS	Yes, there were business objectives, where the share of partners / intermediaries (OTAs) were to be restrained to a certain extent in what we call direct business.	INTERVIEW	Interviewee B	
BUSINESS	We had a principal objective of increasing our revenue.	INTERVIEW	Interviewee C	
BUSINESS	We aimed to increase our conversion rates and therefore what we call our direct revenues. It means the revenue directly generated by Accor and its website and applications.	INTERVIEW	Interviewee C	
BUSINESS	But the initial strategy was to compete against the distributors, OTAs, Online Travel Agencies to get our distribution market shares back	INTERVIEW	Interviewee E	
BUSINESS	We wanted to get market shares back on our direct web channels.	INTERVIEW	Interviewee E	
BUSINESS	If we only take web channels, the part of revenue generated from the web for Accor, 50% of it comes from OTAs. The KPI that we set was to make our direct web results to exceed the indirect web generated from OTAs	INTERVIEW	Interviewee E	
BUSINESS	Besides that, the other goals were a growth in revenue with the rooms per night.	INTERVIEW	Interviewee E	
BUSINESS	Our main objective being to generate more revenue, the revenue is directly based on our conversion rates. Therefore, it is one of the main KPIs that we use.	INTERVIEW	Interviewee E	
BUSINESS	Yes. Pre-COVID we had clear objectives, but they were more finance oriented.	INTERVIEW	Interviewee A	
BUSINESS	I would say that the principal objective on our side is to drive the business to reduce the market share of the OTAs and of course to ensure the satisfaction of the traditional hotels that our main clients.	INTERVIEW	Interviewee D	
BUSINESS	For instance, on the Web (website) or Mobile (mobile app) product, our main goal was to develop the conversion rates	INTERVIEW	Interviewee D	

BUSINESS	At some point there was a huge interest to increase direct business. It aimed to retrieve as many clients as possible through our own channels, like our websites.	INTERVIEW	Interviewee F	
DIGITAL	Yes. The objective was to become a digital player. It needed a more actual communication, a website, more fluid and responsive applications. Start to make our nest in this digital world where we were completely absent. It also needed a changing in the naming of the company.	INTERVIEW	Interviewee C	
DIGITAL	It was mostly that and right now we really want our mobile app to grow.	INTERVIEW	Interviewee E	
DIGITAL	For instance, on the Web (website) or Mobile (mobile app) product, our main goal was to develop the conversion rates	INTERVIEW	Interviewee D	
DIGITAL	At some point there was a huge interest to increase direct business. It aimed to retrieve as many clients as possible through our own channels, like our websites.	INTERVIEW	Interviewee F	
ALL	The second objectives, more linked to the loyalty program rather than to digital transformation, was to increase the number of our member and make our loyalty program more attractive by broadening it in terms of offer. Obviously, behind that, we also needed to increase the customer satisfaction.	INTERVIEW	Interviewee C	
ALL	However, objectives are set per projects. For instance, there were heavy investments and work on the website and the launching of our loyalty program, ALL (Accor Live Limitless) that gathers all our brands. We hoped that the loyalty contribution rate of our members would increase and that the reservations from our direct channels rather than through the OTAs would increase of X amount.	INTERVIEW	Interviewee A	
MISC	smaller objectives regarding technical performances and customer satisfaction, knowing that these smaller objectives contributed to lead our business to the expected level and thus to reach our main business objective. These smaller objectives were considered secondary.	INTERVIEW	Interviewee B	

MISC	But we did not have precise number concerning digital transformation for the simple reason that there are so many aspects to it that it is difficult to forecast its results.	INTERVIEW	Interviewee F	
MISC	We now aim to identify which users use which channels and then, bring them to our system. But strategy evolved.	INTERVIEW	Interviewee F	
OTA	Accor brought together 100 analysts, hoteliers, consultants and journalists in London to explain how it now has the operational strength and size to regain bookings ground from OTAs.	WEBSITE	Terence Baker	<a href="http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs">http://mobile.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
OTA	Maud Bailly, AccorHotels' chief digital officer, explained the six ways the French hotel company is transforming its digital offering to better serve guests and ultimately to take share away from OTAs	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
OTA	The bet is that this then translates to better margins by reducing the volume of bookings leaking over to OTAs, and thus making a dent in the 10-20% commissions paid by most hotels to the middlemen OTAs.	WEBSITE	Nick Vivion	<a href="https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents">https://www.phocuswire.com/Accor-is-now-AccorHotels-and-fights-OTAs-with-open-enrollment-for-independents</a>

<b>C_TRANSFORMATION</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
PLAN	It was launched at the end of 2014 for a total investment of €225M on a period of five years.	INTERVIEW	Interviewee B	

PLAN	I think there was the definition of a macro-program with subsets. One of these subsets was the reach a satisfactory mobile experience. Within the program, a project called “Mobile First” was developed but it is one amongst many, there must have been between ten or fifteen projects that were implemented. It was a significant program.	INTERVIEW	Interviewee B	
PLAN	So, there was this digital plan that was the biggest evidence of “Old school” processes and thinking and we realised it was not satisfying so we made a big diagnosis and a reorganisation followed with the product organisation.	INTERVIEW	Interviewee D	
PLAN	We started by making a lot of studies and used consultant to really narrow and identify what would digital transformation mean for the hotel industry.	INTERVIEW	Interviewee F	
PLAN	Another part aimed to communicate an explain the potential benefits Accor could get from it because its implied huge transformation within the group.	INTERVIEW	Interviewee F	
CULTURE	Since 2018, there is also a big emphasis on the mindset and cultural transformation.	INTERVIEW	Interviewee D	
CULTURE	It happened in many ways. Consultants came to help in the process, whether they were coaches or more oriented on the company’s mindset. There is a constant internal communication about this transformation. And now we have a team, a small one but still, that is dedicated to cultural transformation. Its main objective is to ease the transformation process of all the departments of the group.	INTERVIEW	Interviewee D	
CULTURE	We also had a whole phase of cultural transformation because the hard part is not the technological implementation or to start working in an agile way rather than in a V-Model, but it is really to change the mindsets within the company. You know, within these big groups it is a bit like public administration, there are many layers and changing the mindsets is really the big issue, and that to be said, it is not complete in Accor.	INTERVIEW	Interviewee F	

ORGANISATION	And we are in a phase where the place of the product is more and more central. It is a process, and I would not say that there were bigger evolutions since 2018 but we are working very hard so the products' aims are understood, recognised and to make some departments delegate some of their old prerogatives to focus on what they do best to let some power of decision to the product owners.	INTERVIEW	Interviewee D	
ORGANISATION	From then, we created a product department that aims to be the cutting-edge of these new processes where product owners would assume leadership and where there would be a better coordination between IT and the other departments based on a "feature team" model if it is possible. And as I told you, working in short cycles, constantly watching KPIs (value or usage KPIs) and changes our focuses regarding the results. We stopped launching several-years plans or projects where we had to pray for it to work in the end.	INTERVIEW	Interviewee D	
ORGANISATION	Then we had to transform our organisation. For instance, the teams evolved. We already had Business teams, but we completed them with Product and IT teams. We aimed to become service providers and to work as Feature Teams, and towards agility.	INTERVIEW	Interviewee F	
ORGANISATION	We had to re-think our ways to do business, what were the functional aspects of our transformation, and then what technological changes would be implied by these functional evolutions.	INTERVIEW	Interviewee F	
ORGANISATION	It mainly changed our ways to work; It was the most significant transformation I witnessed.	INTERVIEW	Interviewee C	
ORGANISATION	The first step was the transformation of teams and our work processes. Accord created a strong Product team, digital-oriented with product owners and product managers and strong interactions with IT teams, they are called Feature Teams. It is the main organisation change. We increased the number of sprints, the number of deliveries and tests until launching projects, with very strong priorities. In a big company like ours, it was rather new.	INTERVIEW	Interviewee C	

PROJECTS	One of these subsets was the reach a satisfactory mobile experience. Within the program, a project called “Mobile First” was developed but it is one amongst many, there must have been between ten or fifteen projects that were implemented. It was a significant program.	INTERVIEW	Interviewee B	
PLAN	In 2014, our digital plan saw us investing heavily in initiatives from information-technology infrastructure to data management capabilities that laid the foundations for the much broader transformation taking place in our business today	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
ORGANISATION	Your IT infrastructure also needs to be agile, integrating new services much faster and being able to constantly adapt to a fast-moving technological environment.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
ORGANISATION	Services provided by IT—central reservation systems, revenue-management services or payment solutions that are secure, efficient and match geographical and cultural specificities—must be almost ‘plug-and-play’ so that hotels can integrate them quickly (and) efficiently and at minimum cost.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
CULTURE	Bailly said that to enable true transformation, hotel employees need to work differently, anticipate tomorrow’s trends and react to them faster than competitors by accelerating the decision-making process.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>

CULTURE	“In other words, become agile,” Bailly said. “This includes reducing the number of layers in the organization but also introducing a culture where we constantly test and learn, collect real-time feedback and develop partnerships with all types of companies, from Asian tech giants to French startups.”	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
CULTURE	AccorHotels is striving to develop an innovative entrepreneurial mindset in which its staff are not afraid of failing, she added.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
CULTURE	At the cutting edge of innovation not every idea works, so you have to be prepared to take risks, and if something doesn’t work, stop it, learn from it and move on,” Bailly said. “These new ways of working are essential to maintain a culture where businesses are constantly evolving to keep pace with ever-changing consumer habits.	WEBSITE	Terence Baker	<a href="http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
PLAN	Central to that is Accor’s plan to spend €225 million (\$284 million) in a four-year digital plan that will enable it to take back bookings share via innovations in loyalty and customer experience and “being outstanding players at every stage of the customer journey,” according to literature given at the London event.	WEBSITE	Terence Baker	<a href="https://mobile.hotelnewsnow.com/Articles/24266/Accor-aims-to-regain-power-from-OTAs">https://mobile.hotelnewsnow.com/Articles/24266/Accor-aims-to-regain-power-from-OTAs</a>
PLAN	This ambitious plan focuses on reinventing both the customer experience and hotel operations through digital technology, with the company committing €225 million to eight clearly defined projects over a five year period.	WEBSITE	Peter O’Connor	<a href="https://www.hospitalitynet.org/opinion/4068287.html">https://www.hospitalitynet.org/opinion/4068287.html</a>

CULTURE	On cultural transformation, once again Bailly emphasized that digital transformation cannot happen without cultural transformation. As a hotel's staff is its most valuable resource to deliver exceptional service, empowering them to fully be immersed in these new "digital ways" is a critical component to establish digital ways of working.	WEBSITE	Holden Madison	<a href="https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly">https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly</a>
ORGANISATION	Becoming a service provider: systematizing, co-design and always adapting.	WEBSITE	Holden Madison	<a href="https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly">https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly</a>
ORGANISATION	Managing with value: embrace a startup culture, pitch bold ideas and infuse these ideas everywhere, with KPIs in mind.	WEBSITE	Holden Madison	<a href="https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly">https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly</a>

<b>C_NEW_SECTORS</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
NEW_SECTORS	There were no new industries or sectors because we remain part of the Hospitality industry.	INTERVIEW	Interviewee B	
NEW_SECTORS	Partially yes, we are at the beginning.	INTERVIEW	Interviewee B	
NEW_SECTORS	This digital transformation is supposed to be an entry point to create partnerships so that Accor can become a sort of marketplace of experience as a whole.	INTERVIEW	Interviewee C	
NEW_SECTORS	I do not know if Accor entered purely digital sectors, our core business remains hospitality.	INTERVIEW	Interviewee A	
ACQUISITIONS	Yes, the answer is yes. I must admit that their names slipped from my mind. However, they do not constitute something major for the group. I remember D-Edge, but I do not remember their names.	INTERVIEW	Interviewee A	

ACQUISITIONS	Yes, we acquired digital services. In Accor's ecosystem's logic, the group reinforced itself by acquiring brands. An example of this would be D-Edge, formerly Fastbooking which proposes online booking platforms for independent hotels. This company now operates as the group's internal digital agency with the capacity to create made-to-measure websites when we require it. Others company were acquired such as Resdiary which allows the customer to book a table in a restaurant.	INTERVIEW	Interviewee B	
ACQUISITIONS	We expanded on different business lines. Of course, we had hospitality with hotels and restaurants but expanded elsewhere, especially in B2B businesses. We acquired a company called FastBooking that allowed independent hotels to develop digital services. They changed their name recently. They proposed services to independent hotels to develop digital tools like websites. Another line was concerned catering, concierge, etc. To try to develop new businesses. When Airbnb came to the market, we also bought a company called OneFineStay that allowed us to implant in luxury private rental. So yes, we tried to develop in other businesses in case where standard hospitality's importance would decrease.	INTERVIEW	Interviewee E	
ACQUISITIONS	Yes, Accor did enter new industries, like co-working, we became a competitor of WeWork. We also entered private rentals with OneFineStay, we also do incubation of start-ups. We were able to enter several sectors, but I would not say that it is purely thanks to digital. I would say that all these sectors or industries have a digital aspect even though their core is not necessarily digital. However, the distribution channels for all these new sectors are digitalised.	INTERVIEW	Interviewee A	
ACQUISITIONS	Today, they exist, but digitally speaking, we could be better in restaurants, we could be better in co-working. We are good in private rental, but we could also be better. We acquired a company called OneFineStay which is a sort of luxury Airbnb. It is one of the big concerns for us, especially once the current crisis ends because we will be able to perform far better than we are right now.	INTERVIEW	Interviewee D	

ACQUISITIONS	Yes, because a significant part of our acquisitions is in the digital sector. We acquired a company called VeryChic that does online private sales of travels that works very well. We acquired B2B companies that provide services to hotels call D-Edge and Gekko that give us complementary revenue streams. I already told you about OneFineStay. So, thanks to are acquisition in the digital sector, I can answer yes to your question.	INTERVIEW	Interviewee D	
ACQUISITIONS	We acquired a few digital companies such as D-Edge and others that I do not remember the name.	INTERVIEW	Interviewee F	
OFFERS	The objective of our transformation was to offer more experience, to open to something else than just selling hotel rooms.	INTERVIEW	Interviewee C	
OFFERS	This digital transformation is supposed to be an entry point to create partnerships so that Accor can become a sort of marketplace of experience as a whole.	INTERVIEW	Interviewee C	
OFFERS	For instance, it allowed us to multiply the interactions points that you can have in a hotel. For instance, checking in at the reception is over and you can directly do in online.	INTERVIEW	Interviewee C	
OFFERS	We wanted to develop local businesses around hotels. Hotels are just a physical place, but many smaller businesses can be linked to it. Initiatives were made. I do not know if it thanks to digital transformation, however it allowed us to interact with other businesses and industries. We are really developing our partnerships to provide our clients with additional services, especially with our loyalty program. Digital transformation allows us to offer digital services, exchange, communicate and offer new services with our customers.	INTERVIEW	Interviewee F	
ACQUISITIONS	AccorHotels also has enlarged its portfolio of brands from 13 to 27 in Bazin's five years at the helm and has made a significant number of acquisitions and equity investments outside its traditional hotel business, including home-rental businesses such as Onefinestay to co-working brands such as NextDoor, from concierge services provider such as John Paul and digital services companies such as Fastbooking, AvailPro and Gekko.	WEBSITE	Terence Baker	<a href="https://www.hotelnewsnow.com/Articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">https://www.hotelnewsnow.com/Articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>

ACQUISITIONS	<p>“These acquisitions are all part of our ‘augmented hospitality’ strategy, which will see us providing our guests and partners with an increasingly wide range of complementary services,” she said. “The vision is that these services will give our guests an unmatched overall experience—far beyond the stay—and help our partners build a much deeper relationship with them.”</p>	WEBSITE	Terence Baker	<a href="https://www.hotelnewsnow.com/Articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy">https://www.hotelnewsnow.com/Articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy</a>
ACQUISITIONS	<p>Fastbooking's creativity and digital marketing know-how blend perfectly with <b>Availpro's</b> cutting-edge technology... These two brands become one: "D-EDGE". This new entity, which consolidates the 2 companies' 30 years of expertise, offers hoteliers a unique suite of technological solutions to maximize their distribution revenues.</p>	WEBSITE	ACCOR	<a href="https://group.accor.com/en/Actualites/2019/02/d-edge-availpro-fastbooking-new-brand">https://group.accor.com/en/Actualites/2019/02/d-edge-availpro-fastbooking-new-brand</a>
ACQUISITIONS	<p>AccorHotels is acquiring Onefinestay for at least \$170 million (£117 million). The company is also committing to a \$70 million investment in Onefinestay (£50 million) over the next few years. Onefinestay is a London-based startup that provides an Airbnb for high-end homes combined with a hotel-like service for hosts and travelers.</p>	WEBSITE	Romain Dillet	<a href="https://techcrunch.com/2016/04/04/accorhotels-acquires-onefinestay-for-170-million/?guc_counter=1&amp;guc_referrer=aHR0cHM6Ly93d3cuZ29vZ2xLLmNvbS8&amp;guc_referrer_sig=AQAAAE-tAfabkxaU1eeBGMLNfPvHatK5RMTpv7du8_z4FBW3BehidpFlqmO4qHm-Xk-WmYK9Xj6UgNLSSZEJN721kafebbanDVDomBJ2udZ_vadjAu-zcynxUUOQ9Ir7dYDjHDJ">https://techcrunch.com/2016/04/04/accorhotels-acquires-onefinestay-for-170-million/?guc_counter=1&amp;guc_referrer=aHR0cHM6Ly93d3cuZ29vZ2xLLmNvbS8&amp;guc_referrer_sig=AQAAAE-tAfabkxaU1eeBGMLNfPvHatK5RMTpv7du8_z4FBW3BehidpFlqmO4qHm-Xk-WmYK9Xj6UgNLSSZEJN721kafebbanDVDomBJ2udZ_vadjAu-zcynxUUOQ9Ir7dYDjHDJ</a>

				6AvL488tInr kPIQMJchU qVDNJcMVF 00jt_gYF2h OB
--	--	--	--	---

C_SKILLS				
Category	Information	Type	Author	Source
DIGITAL	When Maud Bailly (CDO) arrived, she changed the strategy and organisation. She created business-oriented teams in marketing and digital that took care of acquisitions and customer relations, etc. But also, an IT team that managed projects and information systems. A big team was hired. I do not have as much information about this, but I know that many people came from SNCF or other big companies. Those people were experts in what they do, with significant backgrounds. A Data team was also created, that focused on BI and Analytics and a Product team that focused on UX, Google Analytics to optimise the group's digital assets. These people were hired to create expertise centres. Currently there is a big Data topic that being discussed and implemented, and people have been recruited. It is a complicated period, but we are trying to develop a new data lake together all of Accor's data to reach a new point in term of data gathering and utilisation.	INTERVIEW	Interviewee E	
DIGITAL	For the skills and competencies, I can talk about my team. We had to heavily invest in everything related to data. We acquired new competencies like cloud-based data management, which means the hosting of our data on AWS. Also, something rather new in Accor, we have a team of data science. It is something that did not exist 10 years ago, and they work on machine	INTERVIEW	Interviewee A	

	learning models used in different contexts.			
DIGITAL	At the beginning, many people in the companies were consultants. Data scientists were not exactly data-scientist. They became data-scientist when the area developed. However, we still had internal people who had more visibility on the project and they we gained more competencies. What we do now, is that we trained internal employees on key technologies. Some of our team members are former consultants we hired.	INTERVIEW	Interviewee F	
CONSULTING	Yes, there were several axes. In IT, we had a plan of internalisation of expertise. It is currently frozen because of the current situation though. Like many companies, we leant a lot on consulting firms to help us to get the right person and the right skills at the right time. However, we decided to internalise some of the areas of expertise and to internally recruit. We also had to do a lot of training and we leant a lot on consultants.	INTERVIEW	Interviewee F	
CONSULTING	At the beginning, many people in the companies were consultants. Data scientists were not exactly data-scientist. They became data-scientist when the area developed. However, we still had internal people who had more visibility on the project and they we gained more competencies. What we do now, is that we trained internal employees on key technologies. Some of our team members are former consultants we hired.	INTERVIEW	Interviewee F	

MISC	On all the digital aspects, we had to reinforce ourselves. Whether it is on the user experience of our systems, acquisition, internalisation of developments (even though it is not yet the case), but also on data collection and analysis, in order to collect the right data and improve our offer. That is all for functional development. There was no sectorial development. There was also an attempt (which has been interrupted) to launch a “marketplace” where independent hotels could be indexed in the Accor group’s system amongst hotels list of the group to allow them to distribute third party products not referenced under an Accor brand on this platform. It has been abandoned in 2018.	INTERVIEW	Interviewee B	
------	--	-----------	---------------	--

<b>C_ALL</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
GOALS	There was the launching of our new loyalty program, “ <b>ALL – Accor Live Limitless</b> ” in December 2019. The intention of this program is to multiply the interactions between Accor and its customers. On average, an Accor customer interacts with the group once or twice a year.	INTERVIEW	Interviewee B	
GOALS	The ALL program aims to develop, by other sectors, potentially digital, the interaction spots with our customers to enhance the frequency of usage and interaction with the brand.	INTERVIEW	Interviewee B	
GOALS	ALL is our new loyalty program. Accor Live Limitless.	INTERVIEW	Interviewee C	
GOALS	The first point was the broadening of our loyalty system. Until now you could only	INTERVIEW	Interviewee C	

	<p>earn points by going in one of our hotels. You can now go in an Accor restaurant and you will earn points as well as going to the hotel.</p>			
GOALS	<p>Especially since we launched ALL (Accor Live Limitless), our loyalty program. It was another significant investment on a digital asset, web and mobile with a huge communication. We hope to be able to get even more market shares back.</p>	INTERVIEW	Interviewee E	
GOALS	<p>For instance, there were heavy investments and work on the website and the launching of our loyalty program, ALL (Accor Live Limitless) that gathers all our brands. We hoped that the loyalty contribution rate of our members would increase and that the reservations from our direct channels rather than through the OTAs would increase of X amount.</p>	INTERVIEW	Interviewee A	
GOALS	<p>Digital transformation was a pretext to put money to catch up technologically, re-think business thanks to technology. It costs a lot of money and everybody must do it, otherwise, they will lag behind. We do not send letters anymore. Digital transformation had already started but we realised we had to put a lot of money on the table to embrace it and draw benefits from it.</p>	INTERVIEW	Interviewee F	
PARTNERSHIPS	<p>There are several aspects of it that are public, such as the partnership with airlines (Air France in France) to make their clients benefit of advantages in our hotels and reciprocally. This applies to the airlines, but another partnership was developed with VISA to create a co-branded card, Accor will be in the pocket of all the customers who would have chosen this card to benefit of more advantages in our hotels. Other partnerships exist, in restaurants, taxis, ridesharing companies. All the interaction spots that Accor cannot control, in a situation of travel or not, will be addressed by partnerships.</p>	INTERVIEW	Interviewee B	

PARTNERSHIPS	The second point is the broadening of our partnerships that I told you before. The idea is not only to be able to earn points but to be able to spend them as well. You will be able to do both on the ALL platform. If you have a credit card with a partnership with ALL, each time you use this card, you will earn ALL points and then you will be able to spend them at Air France, Apple, etc. It already existed in Accor but was not pushed forward. The objective is to develop these partnerships to become a marketplace of experience. The more you earn points, you might get exclusivities, like a concert, or a football game. We want to offer unique experiences to our member. You just booked a table in a restaurant and you need a car to go to the Eiffel Tower? You can do it all via our ALL platform.	INTERVIEW	Interviewee C	
PARTNERSHIPS	We are really developing our partnerships to provide our clients with additional services, especially with our loyalty program. Digital transformation allows us to offer digital services, exchange, communicate and offer new services with our customers. This part is really pushed right now. Most of it works with ALL (Accor Live Limitless), our new loyalty program. And digital transformation brings us additional business.	INTERVIEW	Interviewee F	
FEATURES	They would earn points in Accor and in the partners and be able to spend them. We want them to be able to access on a single platform (ALL), where the partners would almost be invisible, and we would offer a service in the name of ALL. So, our digital transformation was the entry point for all these partnerships.	INTERVIEW	Interviewee C	
FEATURES	We noticed that our members systematically came back or more easily to the same brands. The more your members base is large, the more your revenue are stable because the same members come back. Objectively, we gain additional revenues to those generated in standard hospitality. It also allows us to see a hotel as something else than a gathering of bedrooms. It will be, making brunches, give sport lessons in the hotel. Imagine the hotel as place where you can do all of you day life activities rather than just a place where you sleep for a night.	INTERVIEW	Interviewee C	

FEATURES	launched ALL (Accor Live Limitless), the loyalty program merged with our app and our website.	INTERVIEW	Interviewee D	
REVENUE STREAMS	Accor does not own the brick and mortar of its hotels anymore. Therefore, we have a system of franchising and fees, regarding which the performance of hotels operating under one of Accor's brands allow the group to generate revenue.	INTERVIEW	Interviewee B	
GOALS	Asserting the visionary nature behind the transformation of Accor, Bailly shared Accor's reimagined story. Today, Accor believes in moving beyond the box of traditional hospitality clichés to live limitlessly - referencing the group's soon-to-be-launched new lifestyle loyalty program, ALL - Accor Live Limitless - through digital content, personalization and distribution.	WEBSITE	Holden Madison	<a href="https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly">https://hospitalityinsights.ehl.edu/accor-digital-transformation-maud-bailly</a>
FEATURES	The Group has announced the launch of its new Lifestyle loyalty program, ALL (for Accor Live Limitless). The digital platform will provide a gateway to all the advantages, services and experiences Accor can provide to jazz up customers' daily lives with more opportunities to Live, Work and Play.	WEBSITE	ACCOR	<a href="https://group.accor.com/en/Actualites/2019/03/all-accor-live-limitless-lifestyle-loyalty-program">https://group.accor.com/en/Actualites/2019/03/all-accor-live-limitless-lifestyle-loyalty-program</a>
	One of the efforts that Bailly and her team at Accor have been working on in terms of its digital transformation is an initiative called Accor Live Limitless (ALL), which is a reimagination of its online portal (accorhotels.com) and its loyalty platform (Le Club AccorHotels). "ALL is quite simply a platform that gives customers access to the world of Accor— a doorway to new benefits, loyalty status levels, and experiences that will redefine how the group interacts with guests, and this cutting-edge lifestyle-focused digital transformation is part of our DNA,	WEBSITE	Aby Sam Thomas	<a href="https://www.entrepreneur.com/article/342504">https://www.entrepreneur.com/article/342504</a>
	Mirroring Accor's vastly expanded portfolio, ALL offers guests premium statuses, enriched benefits, exciting partnerships, and inspiring experiences	WEBSITE	Aby Sam Thomas	<a href="https://www.entrepreneur.com/article/342505">https://www.entrepreneur.com/article/342505</a>

	"At the same time, in preparation for the launch of ALL, we launched practical training seminars to over 800 colleagues in 15 countries across the region. The intention of these seminars was to demonstrate how ALL will transform our approach to generating customer loyalty, and its importance to our overall operational strategy.	WEBSITE	Aby Sam Thomas	<a href="https://www.entrepreneur.com/article/342506">https://www.entrepreneur.com/article/342506</a>
--	---	---------	----------------	---

<b>C_BENEFITS</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
BENEFITS_MEASURE	But in any case, I would say that it is extremely difficult to measure the impact of digital.	INTERVIEW	Interviewee B	
BENEFITS_MEASURE	However, one thing that we are sure is that if we had not done it, the situation would not be as good as it is. However, measuring the exact incrementation of digital in our revenue is almost impossible.	INTERVIEW	Interviewee B	
ROI	The context does not allow us to have this return on investment at the moment.	INTERVIEW	Interviewee C	
ROI	I will give you the whole picture and timing. We launched this big digital loyalty program, ALL, internally in early December and globally at the end of January. We were really at the beginnings and the COVID-crisis really stopped us.	INTERVIEW	Interviewee C	
SUCCESS	We were very satisfied by the website and the communication. However, we had a few regressions on our application because some features that we underestimated were not as efficient as they should have. And we had to re-upload them to make them work properly and catch up.	INTERVIEW	Interviewee C	
SUCCESS	We had very good first fruits, and we were able to see what went well and on what we could improve. But we could not experience the return on investment immediately because it became complicated in Asia in February and in Europe in March.	INTERVIEW	Interviewee C	

SUCCESS	So, I have the conversion rate of our acquisition channels, since that on what I work, especially on Search, Metasearch, Display Paid Social. I know that the global level, there was a moment where the conversion rate increased on our campaigns through a project called <b>Link</b> . Where all the brands were all gathered under the Accor website. Once it had been done, the conversion ate that was around 3%-4% dropped because we lost the history of some of our campaigns and Google penalised us on this and thus, the click and conversion rates decreased. However, once the ecosystem had fully been developed and the campaigns had been reactivated, the website stabilised, we saw an increase in terms of reservations. Right now, we are at a bit more that 5%. This project really helped to increase it.	INTERVIEW	Interviewee E	
SUCCESS	We measure it in reservations by comparing the number of clicks generated by our campaigns to the number of booking.	INTERVIEW	Interviewee E	
SUCCESS	I do not know exactly the contents of the P&L of all the acquired companies, we cannot say yes for all of them. Some worked better than others. But it is entirely assumed from the beginning by the CEO Sebastien Bazin. When making acquisitions, we are taking the risk that it will not work as expected at the beginning.	INTERVIEW	Interviewee D	
SUCCESS	Yes, obviously. However, it is extremely hard to quantify. For instance, for data analysis, we are always asked what is really brings to the company. We can estimate amounts. However, it remains estimations. The real key is the revenue increase. We earn far more money in 2020 than in 2018. Digital transformation is a whole thing in itself, if you do not follow, we would not get as much business. To quantify it is an excellent question, however it is extremely complicated because all the projects have different outcomes.	INTERVIEW	Interviewee F	

<b>C_OBJECTIVES_MET</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>

BUSINESS	I think they were met. I do not have in mind all the objectives, but I think they were met, especially on the business aspect. At least a major part of them were met.	INTERVIEW	Interviewee B	
BUSINESS	So, yes, they both increased, it is true. I arrived recently in the company so 2014 is a bit far for me. But yes, revenues and direct business increased. On the last two years, conversion rates increased by 15% per year. It was a good rate and we are aiming to double our revenue and develop our member's base and therefore, our loyalty contribution, to know how much our loyalty program weighs in our revenue.	INTERVIEW	Interviewee C	
BUSINESS	Yes, Accor really came back. Of course, it changes regionally. But in Europe, we are leaders and we have many assets in terms of distribution thanks to our investments. Our cultural transformation allowed us to develop new offers, but also to buy brands in new sectors or brands, especially in luxury. Our offers increased and our mix is more diverse. But the COVID-19 really stopped us right now. Since Sebastian Bazin arrived, many things improved.	INTERVIEW	Interviewee E	
BUSINESS	However, once the ecosystem had fully been developed and the campaigns had been reactivated, the website stabilised, we saw an increase in terms of reservations. Right now, we are at a bit more than 5%. This project really helped to increase it.	INTERVIEW	Interviewee E	
DIGITAL	However, once the ecosystem had fully been developed and the campaigns had been reactivated, the website stabilised, we saw an increase in terms of reservations. Right now, we are at a bit more than 5%. This project really helped to increase it.	INTERVIEW	Interviewee E	
MISC	Considering the current situation, it did not go down. At the beginning, we did not we remained good. Currently, our results are not good, but unfortunately that is not the fault of digital transformation or any other internal cause. The COVID-19 really stopped our activities and we cannot measure properly right now. I do not know what others told you.	INTERVIEW	Interviewee C	
MISC	So, it is a never-ending story. Before the COVID, we were very good. We were more and more capable to reach our objectives and if not, to adapt quickly and do something else. We were in a good dynamic	INTERVIEW	Interviewee D	

	and this transformation allowed us to be in line with the objectives of the company.			
--	--	--	--	--

C_OPPORTUNITY_COST				
Category	Information	Type	Author	Source
REVENUE	But in any case, I would say that it is extremely difficult to measure the impact of digital. However, one thing that we are sure is that if we had not done it, the situation would not be as good as it is. However, measuring the exact incrementation of digital in our revenue is almost impossible.	INTERVIEW	Interviewee B	
REVENUE	The business subtlety in Accor lies in whether the business is direct or if it involves third parties. When we have to deal with partners, our distribution cost is significantly higher. The first effect of this, is that each transaction is more expensive, meaning that the cost of customer acquisition and retention is also higher. The best way to change this, is to favour direct business channels because it allows us to easily capture clients and store them in our databases and thus, to generate <b>Customer Lifetime Value</b> where the client comes back and its acquisition cost will be smoothed in the number of times he will stay in our hotels. If we had not implemented a digital strategy, it would have resulted in a larger market share for partner and our acquisition and retention costs would have increased dramatically on mid and long term.	INTERVIEW	Interviewee B	
REVENUE	All of our distribution system is digitalised. We still have call-centres but if you want to book through our loyalty program, you have to go through our websites and it obviously translates in financial value for the group.	INTERVIEW	Interviewee A	
REVENUE	However, exactly quantify its benefits is almost impossible. We can make the easy comparison between the evolution of revenues within a range of years, but you can make numbers say whatever you want. If we had not followed, we would not have had the opportunities we have today in terms of tools or processes.	INTERVIEW	Interviewee F	

COMPETITION	It is a must-have.	INTERVIEW	Interviewee C	
COMPETITION	Digital penetrated the industry to such an advanced level that I cannot even imagine a situation where we would not even have a website.	INTERVIEW	Interviewee A	
COMPETITION	In my opinion, honestly, in the case of Accor, we would be out of business.	INTERVIEW	Interviewee F	
COMPETITION	In my opinion, honestly, in the case of Accor, we would be out of business. Or we would at least do down in the Top 50 or Top 100 when we currently are in the Top 10. If you do not follow, we would lose all the exchange part; we could not work with our partners, web and mobile does not work the same as it did a few years before. We do have to follow. We invested heavily in it, but it is an ever-changing environment and digital transformation is a never-ending process. Therefore, we have to unlock funds every year. If it had not been done, we would be in the Top 100, if you consider marketing, our customer and even our reputation. Imagine our clients seeing that they cannot book online. A CAC40 company like Accor that does not digitally transform would necessarily go out of business.	INTERVIEW	Interviewee F	

C_ANALYTICS				
Category	Information	Type	Author	Source
INTERNAL_DAT A	There are several types of data. <b>Internal data:</b> Directly linked to Accor like the customer's booking information or information about the customer himself. It symbolises the <i>life of a customer in Accor</i> . <b>Operating data:</b> in this business, forecasting is very important. An efficient forecasting will allow us to optimise our distribution costs but also our prices. It follows a yield management logic. This data is treated by a human being in a hotel regarding his knowledge of the surrounding events, room occupancy, the way the hotel operates . These are revenue management data used to forecast the future (Internal data are: Booking data, customer data, forecasting data).	INTERVIEW	Interviewee B	

INTERNAL_DAT A	We have <b>data about reservations</b> . Then we also have <b>data about are clients stays</b> . These two kinds of data can be very different because a customer can change his mind and choose to stay a few more / less days. It also concerns then consumptions like food and beverage. At these stays data, we can add <b>guest data</b> , the customer's behaviour, and the history of their consumption, if they are part of our loyalty programs. All these data are linked. The loyalty program data are also part of the guest data, as well as the web browsing and behaviour.	INTERVIEW	Interviewee A	
INTERNAL_DAT A	We collect data on the reservations, the clients, and their stories in the group.	INTERVIEW	Interviewee D	
EXTERNAL_DAT A	<b>External Data:</b> Principally benchmarking data, how is the competition behaving regarding to key indicators such as the yearly average revenue per room (rev/par). It is the principal indicator in the hotel industry to compare yourself to the others. But we can also see the search index of Accor on digital platforms such as Google. Or in the partners' platforms to see how visible Accor is compare to competitors like Marriott. It allows to explain why we perform better or worse than the competition.	INTERVIEW	Interviewee B	
EXTERNAL_DAT A	We mostly gather the data regarding the external prices on which our pricing policy will be locally or globally defined. Crawlers will scan OTAs and competitors' pricings so we can set ours. All this information is used in the revenue management part to influence our pricing policy and optimise our revenue. We want to know what our competitors do.	INTERVIEW	Interviewee A	
EXTERNAL_DAT A	We also have data on the competition collected and processed by our revenue management teams, especially pricing data.	INTERVIEW	Interviewee D	
EXTERNAL_DAT A	This data is really oriented towards analysis and results to know where we are and what happens in the group. Our new environments even allow us to forecast. We also gather external data such as Google Analytics, social data, weather for big events. We gather both internal and external data and regroup it, unify it, and draw value out of it.	INTERVIEW	Interviewee F	

STORAGE	There is a system that allows us to share this information through the whole company, but it is rather old. There is one of our big projects that was stopped due to COVID-19 and that we try to start again and for which I fought a lot to obtain more budget; It is a data lake linked to a cloud-hosted data warehouse on AWS (Amazon Web Services). It is the modelisation of different data made available in a modern environment of data visualisation. We are in the middle of this projects and we really want to invest more in it to ensure the efficient sharing of all our data sets and an easy access to it. Now, most people use COGNOS which is an old system, an efficient one but rather old.	INTERVIEW	Interviewee B	
MISC	Additionally, some data remain at the headquarters to be prepared, stored, and then shared between different experts for them to share a common vision of the business. Discussions then occur on the decisions to take rather than on the way the data is treated and on the potential gaps that could have occurred during the treatment.	INTERVIEW	Interviewee B	

<b>C_COMPETITION</b>				
<b>Category</b>	<b>Information</b>	<b>Type</b>	<b>Author</b>	<b>Source</b>
BENCHMARK	Yes, we have a permanent benchmarking logic against our competitors, whether it is at a global or at a local level and it is followed very carefully. For now, I would say that Accor is in line with the competition on a business growth scale, whether it goes through digital or not.	INTERVIEW	Interviewee B	

BENCHMARK	<p>Regarding our historic hotel competitors, our biggest competitor is Hilton and they are a little bit in front of us. I am speaking globally. They are a bit more performant on their websites and they implemented the same loyalty strategy, ALL, than us but one year earlier. Their transformation is more advanced and since it is a bigger company, they have more resources. However, Accor is evolving at the same pace. For the Chinese competitors, they're more advanced in IT and have more resources and technical skills but I don't think there are big differences. Maybe brands or groups emerged in the last 10 years had a big growth because they started from the scratch and could evolve more freely with more flexibility, even though I do not have a specific example in mind. These new brands must offer more efficient solutions than what standard hotels do. For distributors, Expedia, and Booking, in terms of web performances, we know that their conversion rates are way higher than ours, because they are really focused on their website and conversion oriented. Their performances are better. The new start-ups of born-digital companies are more efficient, and they use their notoriety. Additionally, they do not have many structural costs so they can directly re-invest their commissions in their digital assets and communication.</p>	INTERVIEW	Interviewee E	
BENCHMARK	<p>Because our website is far more efficient than it was before. Also, it is backed up by the fact that we push our partnerships forward and our complete experience offers. We position ourselves as a service provider rather than just a hotel chain.</p>	INTERVIEW	Interviewee C	

BENCHMARK	<p>Regarding American hotels, I think we are lagging a little bit behind. They are lucky to evolve in an American market that is more standardised. It is only a few countries with relatively close cultures and the brands are far more concentrated. Where in Europe, a large number of hotels are independent or part of small chains. In the United States, brands are very concentrated. We really feel like the four or five dominant brands, among which you will find Marriott or Hilton are more advanced in digital, their services, data analytics. They heavily invested in their information systems and standardised policies and systems; where for us, many of our hotels use their own systems and not the one proposed by Accor (PMS- Property Management Systems). Because they have a better brand recognition in their native market, they were able to standardise their brands. If you want to be part of the Hilton network, you must use their systems to be efficiently plugged-in and we have not achieved this yet. Then if we compare ourselves to the OTAs, they are far more advanced because they are born-digital. These companies were created through digital and their advance is not surprising. However, I do not think we can make an efficient comparison, because the American brands are completely different. They evolve in a standardised market, technologically and culturally speaking, they also have more revenue and therefore more resources to invest in their own infrastructure.</p>	INTERVIEW	Interviewee A	
BENCHMARK	<p>In Europe, we are not really challenged. In the United States, we grew through acquisitions. There is a real consolidation tendency in the industry, it means that most companies will grow but through acquisitions rather than through the development of their own products. Accor does it, but the Americans as well.</p>	INTERVIEW	Interviewee A	
GROWTH	<p>On the strictly digital aspect, for instance our website, we reinforced our teams on AB-testing practices to measure the value incrementations generated on modifications on our digital assets. To illustrate this, on the past two or three years we have experienced significant increases in our performances, mostly in terms of conversion</p>	INTERVIEW	Interviewee B	

	rates when we facilitated the customer journey on our digital assets, which in the end generated more business. It even reached a point where the growth of our digital assets had significantly exceeded our partners’.			
GROWTH	However, there are two ways to see it. We either were lagging behind and we caught up very quickly, resulting in a boosted growth at this very moment. Or that there was a significant effort made on the differentiation of our offer, resulting in us taking the lead. The answer lies between the two but cannot be defined with certainty. One thing is sure is that our digital assets growth significantly exceeded the partners’.	INTERVIEW	Interviewee B	
GROWTH	Competitiveness introduced a notion of relativity regarding the competition. I do not think there was a massive incrementation regarding competition. However, on some initiatives, Accor is ahead or lagging behind on others. But if Accor had not done it, the lag would be far more important. It is a very moving environment. The one that does not go far enough or fast enough lags behind and loses market shares.	INTERVIEW	Interviewee B	
GROWTH	It is a must-have. To efficiently face the competition, we had to catch up and be at the same level to avoid being distanced by our competitors. Does digital transformation allow us to compete better, alone? I would not say that but there is an in-between and Accor’s positioning is interesting. Indeed, we heavily invested in digital transformation but keeping in mind that hospitality is our core. We created a hybrid system that is very interesting that our CED wants to push. To make digital at the service of our teams because the humans are still at the centre of our activity.	INTERVIEW	Interviewee C	
GROWTH	I really need to take context out. Digital transformation allowed us to gain market shares, that is certain. We are not late or in advance, it is a status quo. We aimed to gain terrain this year but have not finished all of our projects. We are currently equivalent. But we gained a lot of market on the OTAs and the growth of our digital assets was greater than theirs, especially thanks to our website. In terms of growth we are also equivalent to Hilton and Marriott because	INTERVIEW	Interviewee C	

	there is a constant benchmark and companies from the Top10 and constantly looking at the others. However, I think that we are going to compete seriously with Airbnb.			
GROWTH	Before COVID, we were in a very good dynamic. For a long time we had a lot of problems to contain Booking.com's growth regarding our direct channels. We had doubled our investments on these channels, and we achieved to reach the same growth level with ALL, our loyalty program. And we were very happy about it. However, we are still a bit far behind some competitors. The Americans have a very loyal customer base and enjoy a more comfortable position than us. So right now, we are catching up.	INTERVIEW	Interviewee D	
GROWTH	I think we are good. Sebastien Bazin, the CEO, commands his boat very well. Well it is not a boat, more like an aircraft carrier. Many people in the company say that we evolve the right way. We are not first but we are not really lagging behind. There is a difference of budget allowed to digital within companies. If you take Airbnb, they are only the upper layer, they are a website. When we manage hundreds of hotels. Everybody dreams to be only a proxy because you make a lot of money without having to do the hard work. By these companies, we are seen as people who enormous resources for small outcomes. We can position ourselves regarding our historic competitors and other companies of the Top 10 have bigger budgets than us. However, positioning regarding OTAs or private rentals is complicated because it is really not the same job.	INTERVIEW	Interviewee F	
BENCHMARK	Based in Paris, where the hotel brand began in the 1960s, Accor earns over \$6 billion in annual revenue and represents the third largest hotel brand. Accor owns properties such as Sofitel, Novotel, All Seasons, Pullman, and Motel 6. Where the other leading hotel brands skew toward luxury properties. Accor holds approximately 3,700 hotels that span the gamut from economy lodges to 5-star properties.	WEBSITE	EHL	<a href="https://hospitalityinsights.ehl.edu/biggest-hotel-chains">https://hospitalityinsights.ehl.edu/biggest-hotel-chains</a>

BENCHMARK	The first European company on this list is AccorHotels. It is a French multinational hotel group based in Paris. The group owns and operates 4,000 hotels, resorts and residences around the world. It operates in 96 countries, comprising luxury brands such as Raffles, Sofitel, Pullman or boutique brands like Novotel, Mercure as well as economy brands like ibis, ibis Styles, Hotel F1 etc. AccorHotels employ more than 240,000 people worldwide. In 2016, the company's revenues reached up to \$6.6 billion.	WEBSITE	James Morris	<a href="https://www.tourism-review.com/biggest-hotel-groups-by-revenue-news5501">https://www.tourism-review.com/biggest-hotel-groups-by-revenue-news5501</a>
BENCHMARK	Hilton Worldwide reaches the 4th place of the ranking despite a strong organic growth of 58,271 rooms (+6.4%), 6,055 properties. IHG posted a strong growth too with +45,648 rooms comparing to 2018 (+5.4%). Wyndham Hotel Group developed its portfolio of 21,092 rooms (+2,6%) and the French Accor, gained 23,515 rooms (+3.3%). Choice Hotels grew by + 3.8% worldwide with +21,789 more rooms in its portfolio. Last position of the top 10, the Chinese BTH Hotels with +6,396 rooms (+1.8%).	WEBSITE	Vanguélis Panayotis	

## **Appendix J** – *Past Interviews*

**Accor aims to regain power from OTAs** (Terence Baker, 2014)

<https://www.hotelnewsnow.com/articles/24266/Accor-aims-to-regain-power-from-OTAs>

**6 ways AccorHotels is transforming its digital strategy** (Terence Baker, 2018)

<http://www.hotelnewsnow.com/articles/290231/6-ways-AccorHotels-is-transforming-its-digital-strategy>