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HOTEL yearbook 2013

Scenarios for the year ahead

Puneet Chhatwal, Steigenberger's new CEO, shares his thoughts on the challenges in the year ahead

Dorchester Collection CEO Chris Cowdray on leadership

How will 2013 shape up for the key hotel markets worldwide?
30 exclusive country reports from Horwath HTL

Special section: "Spa 2020"
Leading experts explore the next decade in the spa industry

How is your company visualizing its future business landscape?
Woody Wade on scenario planning in the hotel industry

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WADE & COMPANY

Wade & Company is a Lausanne-based consultancy that helps senior managers in the hospitality industry better understand how their future “business landscape” could change, affecting their competitiveness and creating new opportunities and challenges. Its scenario planning workshops give management teams a creative yet structured approach for envisaging alternative ways their future operating environment could realistically unfold over the next few years, depending on how current uncertainties develop. With these eye-opening insights, Wade & Company’s clients can maximize the flexibility of their strategic plans and be better prepared for whatever future dies arise. More info is at www.11changes.com.

Horwath HTL Hotel, Tourism and Leisure

HORWATH HTL

Horwath Hotel, Tourism and Leisure consulting are the world’s number one hospitality consulting organisation, operating since 1915. Horwath HTL are the industry choice; a global network offering complete solutions in markets both local and international. Through involvement in thousands of projects over many years, Horwath HTL have amassed extensive, in-depth knowledge and understanding of the needs of hotel & real estate companies and financial institutions.

Horwath HTL are the world’s largest consulting organisation specialised in the hospitality industry, with 50 offices in 39 countries. They are recognised as the pre-eminent specialist in Hotels, Tourism and Leisure, providing solutions through a combination of international experience and expert local knowledge.

HSYNDICATE

HSYNDICATE

With an exclusive focus on global hospitality and tourism, Hsyndicate.org (the Hospitality Syndicate) provides electronic news publication, syndication and distribution on behalf of some 750 organizations in the hospitality vertical. Hsyndicate helps its members to reach highly targeted audience-segments in the exploding new-media landscape within hospitality. With the central idea ‘ONE Industry, ONE Network’, Hsyndicate merges historically fragmented industry intelligence into a single online information and knowledge resource serving the information-needs of targeted audience-groups throughout the hospitality, travel & tourism industries... serving professionals relying on Hsyndicate’s specific and context-relevant intelligence delivered to them when they need it and how they need it.

Global branding is dead. Micro-branding is next

FOR A GENERATION OR MORE, BRANDING HAS BEEN REGARDED AS AN ABSOLUTE MUST BY HOTEL MARKETING PROFESSIONALS. BUT HAVE WE FOCUSED ON BRANDING THE RIGHT THINGS? **YOURI SAWERSCHEL** OF GENEVA-BASED CONSULTANCY **BRIDGE.OVER** THINKS MAYBE WE HAVE BEEN MISSING AN OPPORTUNITY.

Often in the hotel industry, branding is perceived as the “art of putting a logo everywhere.” By placing their logos on every napkin, pen, bathrobe and amenity, hotel brands have become so ubiquitous that they have somewhat lost their soul and uniqueness.

In the meantime, several small hotel companies such as *25h* in Germany, *The Standard Hotel* in New York or *Yotel* in London have gained a lot of attention by branding themselves differently from the mainstream brands. They are known globally but are not global brands. Unlike the latter, these companies often


operate only in their home market. As a result, not only do they have a better understanding of local tastes, but they also benefit from stronger community ties and cultural identity.

In order to differentiate themselves, it is likely that global brands will seek inspiration from these smaller companies that manage to attract both international and local clientele equally successfully. Global brands are and will remain relevant; global branding, however, is likely to change significantly in the next years. The future belongs to hotels which are able to rethink

The Opposite House hotel is positioned as a lifestyle destination



Courtesy of the Opposite House Beijing



The Biergarten of the Standard Hotel attracts hotel guests and visitor alike

jetsetreport

completely the way they look at themselves and, consequently, brand themselves.

To be fully attractive, hotel outlets must have their own identity, as opposed to being treated as sub-brands of a main hotel brand. This is what I call “micro-branding.” Unlike the centralized and hierarchical brand architecture, through micro-branding, distinct points of sale are positioned as different brands, each with its own value proposition.

MIX-AND-MATCH, CHEAP-AND-CHIC

The great thing about micro-branding is that it allows the targeting of different segments under the same roof in a

Through micro-branding, distinct points of sale are positioned as different brands, each with its own value proposition

coherent way. In the fashion industry for example, *Louis Vuitton* does not target the same customers with its travel luggage line as it does with its range of small leather accessories. Following

the same logic, a hotel doesn't have to target the same customer segment with all of its outlets.

The Standard Hotel in New York micro-branded its outlets very successfully: its expensive night club *Boom Boom Room* attracts celebrities and wealthy individuals, while its *Biergarten* is popular among locals looking for a casual beer with friends. Using this logic of mixing and matching different value propositions, *bridge. over* has recommended to a luxury London hotel to turn one of its F&B outlets into a gourmet fish & chips restaurant.

TWO WAYS TO GET THERE

There are essentially two ways to pursue a micro-brand strategy: develop micro-brands in-house, or bring established brands in. *The Opposite House*, a design hotel in Beijing, has been very successful at developing home grown micro-brands. *The Punk*, a bar/club located in the basement of the hotel is a meeting point for young hip Chinese and expatriates, while the *Sureno*, located next to it, is a contemporary restaurant known as one of the best Italian addresses in town. A short cab ride away, *Park Hyatt's Xiu Bar* cultivates its independent branding: it has its own website, a private elevator with street access, and it does not always accept in-house guests.

Developing a stand-alone brand for an outlet bears its fair share of uncertainty. As such, hotels may decide to partner with other

Global branding is dead. Micro-branding is next cont.



Courtesy of Hotel Concorde Berlin

players to share the risk (and consequently the return as well). Casinos were among the first to bring in celebrity chefs to run their restaurants. Today, we see a growing number of hotels featuring known chefs or established restaurant brands like Anne Sophie Pic at the *Beau-Rivage Palace* in Lausanne or the *Nobu* at the *One & Only* in Cape Town, respectively.

MICRO-BRAND EVERYTHING

While micro-branding in hotel restaurants is being increasingly explored, its application to other outlets is still to be discovered. Room service, for instance, could be branded as an

independent dining option with an offer differentiated from the usual lounge bar menu. Why can't room service be positioned as an exotic pizza delivery service or as the ultimate Spanish tapas dining option?

Kids' clubs and sports facilities are other outlets with a huge potential for micro-branding. At bridge.over, we recently advised a leading hotel in Abu Dhabi to brand its kids' offer separately from the hotel by creating a dedicated area featuring a playground, a toyshop, a video-game room and an ice-cream stand. In the same way, hotel sports facilities could also be

Global branding is dead. Micro-branding is next cont.

branded separately. Why not imagine a Nike fitness centre or a Speedo swimming pool? These outlets would then be marketed independently from the hotel, using different communication channels and targeting various segments.

Finally, hotel lobbies, long considered functionally empty spaces without a soul, have a great potential to be branded as hybrid lifestyle destinations. For example, the lobby could become an open space featuring a florist, a perfumery, (like in upscale

department stores), a bookstore, or even a gourmet food court like the *Mercado San Antón* in Madrid.

The examples above give an insight on how branding is likely to evolve in the near future. Not only small independent hotels, but also global chains can benefit enormously from a micro-branding strategy. For creative managers who are able to think differently, the potential of micro-branding is both limitless and extraordinarily exciting. ■



The Punk bar/club in Beijing



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