ESTORIL HIGHER INSTITUTE FOR TOURISM AND HOTEL STUDIES

MASTER DEGREE IN HOTEL MANAGEMENT

THE *REBRANDING* PROCESS IMPLEMENTATION OF AN INDEPENDENT HOTEL INTO A HOTEL CHAIN

THE CASE STUDY OF SHERATON CASCAIS RESORT

Mariana de Oliveira Castanhas Casal Ribeiro

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To my family, to whom I owe my life.

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ABSTRACT

Nowadays the number of hotels that feel the need to change their brands is increasingly a reality present in the hotel industry. Based on this industry characteristic, the present thesis aims to study the implementation process of *rebranding* an independent hotel into a hotel chain through the case study of Sheraton Cascais Resort.

Supported by a review of the existing literature on this topic, the case study presents a real analysis in terms of implementing the *rebranding* process in hospitality. The methodology of analysis concentrates a deductive method of direct observation where all data collected derives from the accomplishment of a 6-month internship within the property and from interviews conducted to the hotel General Manager and Human Resources Director. The study is limited to the component directly visible to the guest, due to the existence of strict brand privacy and confidentiality policies that do not allow analyzing or making public information regarding the internal component of service.

All the research conducted throughout the case study allowed recognizing that the correct implementation of *rebranding* follows all four and sequential phases proposed by the Ahonen´s (2008) model. Future studies should be carried out allowing following the hotel at a stage before, during and after *rebranding*, in order to investigate the *rebranding* outcome with greater accuracy

Keywords: implementation, *rebranding*, independent hotel, hotel chain, Sheraton Cascais Resort.

RESUMO

Atualmente, o número de hotéis que sentem a necessidade de mudar a sua marca é cada vez mais uma realidade presente na indústria hoteleira. Tendo por base esta característica da indústria, a presente tese visa estudar a implementação do processo de *rebranding* de um hotel independente num hotel de cadeia, através do estudo de caso do Sheraton Cascais Resort.

Suportado por uma revisão da literatura existente sobre esta temática, o estudo de caso apresenta e expõe uma análise real em termos de implementação do processo de *rebranding* na hotelaria. A metodologia de análise concentra um método dedutivo de observação direta onde todos os dados recolhidos derivam da realização de um estágio de 6 meses na da propriedade e de entrevistas realizadas ao Diretor Geral e à Diretora de Recursos Humanos do hotel. O estudo é limitado à componente diretamente visível pelo hóspede, devido à existência de rígidas políticas de privacidade e confidencialidade da marca que não permitem analisar ou tornar pública informação relativa à componente interna do serviço.

Toda a pesquisa realizada ao longo do caso de estudo permitiu reconhecer que a correta implementação de *rebranding* segue as quatro fases sequenciais propostas pelo modelo de Ahonen. Deverão ser realizados estudos futuros permitindo acompanhar o hotel numa fase anterior, durante e posterior ao *rebranding*, a fim de se investigar a fase dos resultados de *rebranding* com maior precisão.

Palavras-chave: implementação, *rebranding*, hotel independente, hotel de cadeia, Sheraton Cascais Resort.

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LIST OF ABBREVIATIONS

AMA	American Marketing Association
GM	General Manager
F&B	Food and Beverage
IT	Information Technology
UIP	United Investments Portugal
FF&E	Furniture Fixtures and Equipment
SO&E	Operation Supplies and Equipment

CHAPTER I: INTRODUCTION

The present dissertation represents the final stage of achievement a Master Degree in Hospitality Management, attributed by Estoril Higher Institute for Tourism and Hotel Studies.

The hotel industry is becoming more than ever a global and competitive business of brands, where hotels often go through *rebranding* processes (O´Neill & Carlback, 2011). The central and structuring objective of this dissertation will be to understand how the implementation of *rebranding* an independent hotel in a hotel chain takes place. Entitled "*Rebranding* implementation of an independent hotel into a hotel chain – The case study of Sheraton Cascais Resort", it aims to achieve the central objective through the practical analysis component of Sheraton Cascais Resort case study. The case study choice is due to the fact that the property is in the process of *rebranding* and the opportunity to undertake a half-year internship in the marketing department has been offered, facilitating in-depth follow-up and study of the change implementation. In this way, it is possible to interconnect and apply theoretical concepts to a real case study.

It is intended to make a review on the scientific literature of brands, the existence of explanatory models about *rebranding* and its stages, and, also, about *rebranding* in hospitality. In terms of research strategy, in order to achieve it central objective, it is felt the need to draw more detailed and measurable objectives. Primarily, it is important to know the hotel dynamics as Vivamarinha, how was its constitution, what were its essential brand pillars and how it was managed. Then it is necessary to study the factors that disputed the need for *rebranding* in the property, as they act as reagents for *rebranding* and its implementation. The way in which the Sheraton chain is chosen is the third secondary objective to be achieved. It is key to understand why this brand was chosen and who made the decision. After the decision has been made, it is significant to verify how the restructuring process that the property will have to undergo, to conform to the requirements of Sheraton chain brand, is defined. The fifth and last secondary objective is to track and examine the implementation phase of *rebranding* in the hotel. The case study will follow a deductive method as well as a qualitative-intensive approach.

The interconnection of the secondary objectives conclusions will make it possible to respond and comprehend the central objective.

CHAPTER II: LITERATURE REVIEW

The present chapter aims to review the existing scientific literature within the theme under analysis. It is firstly intended to frame branding by looking at the existing literature of brand concepts, corporate branding, triadic approach of brands and brand equity. Then it is important to invoke *rebranding* in detail, analysing different types of corporate *rebranding*, the affecting drivers and existing explanatory models of how it happens. Lastly but not the least, it is intend to understand the *rebranding* dimension within the hospitality industry, comprising the particular case of independent hotels which should not seek affiliation and the different stages of affiliation´s process.

2.1. Branding

The concept of the brand can be traced back to product marketing, where the role of branding and brand management has been primarily to create differentiation and preference for a product or service in the mind of the customer (Knox and Bickerton, 2003). The term brand drifst from the Old Norse word *brandr* - meaning "to burn" - as a way to differentiate the livestock of each landlord. Thus, for centuries that branding has been used as a way to distinguish goods of one producer from another (Keller, 2013).

Along with others areas of research, there is a plethora of definitions of branding. Both Keller (2013, p.30) and Kotler (2003, p.418), two of the main authors skilled in the art of Marketing, define the concept of brand according to the one presented by the American Marketing Association (AMA). Therefore, a brand is: "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competition". The traditional definition presented by AMA, in 1960, is based on brand as a logo and all visual features as a basis of differentiation. Posteriorly, other authors added additional dimensions to the definition created by AMA. These other definitions are summarized in the following table.

Table 1 - Different definitions of brand

Brand Definition	Description	Authors
Legal Instrument	Mark of ownership. Name, logo, design and trademark.	Broadbent & Cooper (1987)
Company	Identifiable corporate name and image. Cultures, people, programs of organization are an extension of brand.	Vick (1993)
Identity System	Brand is more than just a name. It is a holistic integrated system of its logo, design, packaging, advertising and name recognition.	Kapferer (1993)
Personality	Psychological values. Brands' functional advantages are communicated through advertising and packaging defining brand´s personality.	Lambin (1993)
Adding Value	Brand as a value satisfier. Consumers imbue brand with subjective meaning they value enough to buy. Enhanced through design and distribution.	Jones (1986)

Source: Adapted by Chernatony & Riley (1998)

Even today, the AMA´s definition still remains the most used description to describe a brand. Kotler (2003) also stresses the fact that brand is a multifaceted symbol able to relay up to six distinctive levels of meaning:

1. Attributes – the brand conveys to mind certain attributes.
2. Benefits – the attributes are interpreted into functional and emotional benefits.
3. Values – the producer´s values are imprint in the brand.
4. Culture – the brand might also embody a certain culture.
5. Personality – the brand can project a certain personality.
6. User – the brand insinuates the type of consumer who buys or uses the product or service.

Chernatony and Riley (1998) claim that a brand subsists chiefly by virtue of an incessant process by which the values and expectations, infused in the brand object, are fixed and decreed by the firm´s staff and understood and redefined by customers. Subsequently, companies and costumers coproduce brands. For Schmitt (2011) a brand is a psychological construct comprising of integrated information linked to a product, service or corporate brand. The psychological construct assists functionally-driven goal pursuit, as the integrated information is mostly saved in the form of a superordinate concept like, for example, an innovative or lifestyle brand. Hatch and Schultz (2009) go even further insinuating that because of the extreme competitive world in which we live today, branding must go beyond than just design a name or a symbol, but to instinctively express the entire company identity. Thus, a strong brand must be able to differentiate itself from competitors as Dev and Withiam (2012, p. 83) declared: "A brand is a hallmark of quality, a promise of assurance to buyers, a set of associations or expectations, a perception or an image that persuades customers to purchase a brand´s products".

Resultantly, a successful corporate branding should rely on a perfect interplay between strategic vision, organizational culture and corporate image (Hatch and Schultz 2003). For a better understanding these three elements are defined below.

Strategic vision – One of the most familiar definitions of strategic vision was presented by Collins and Porras (1996) as the idea that the company aims to be in the future. In other words, it is the central idea that personifies and expresses the company aspiration for what will try to accomplish in the future (Hatch and Schultz 2003).

Organizational culture - A set of principles, attitudes and rules that illustrate the company´s heritage and whose meaning is communicated to the employees (Hatch and Schultz 2003).

Corporate Image – An external overall notion about the company, involving the views of all stakeholders as the general public or the media.

Hatch and Schultz (2003) have been even studied that companies that focus on this interplay often outperform others.

2.1.1. Branding Principles

Some authors like Lencastre (2007) call on the triadic approach when analyzing a brand. This approach is an attempt to take into account all brand´s components and relationships established between them.

The American philosopher Pierce, who dedicated his time establishing a positivist conception of sign, has determined an empirical relationship between three elements entitled the triadic approach. The first element is named the *representamen*, while the second element is the *object* to witch the *representamen* is referring to. At last, the *interpretant* is the effect that *representamen* creates in the minds of those who receive them (Lencastre, 2007).

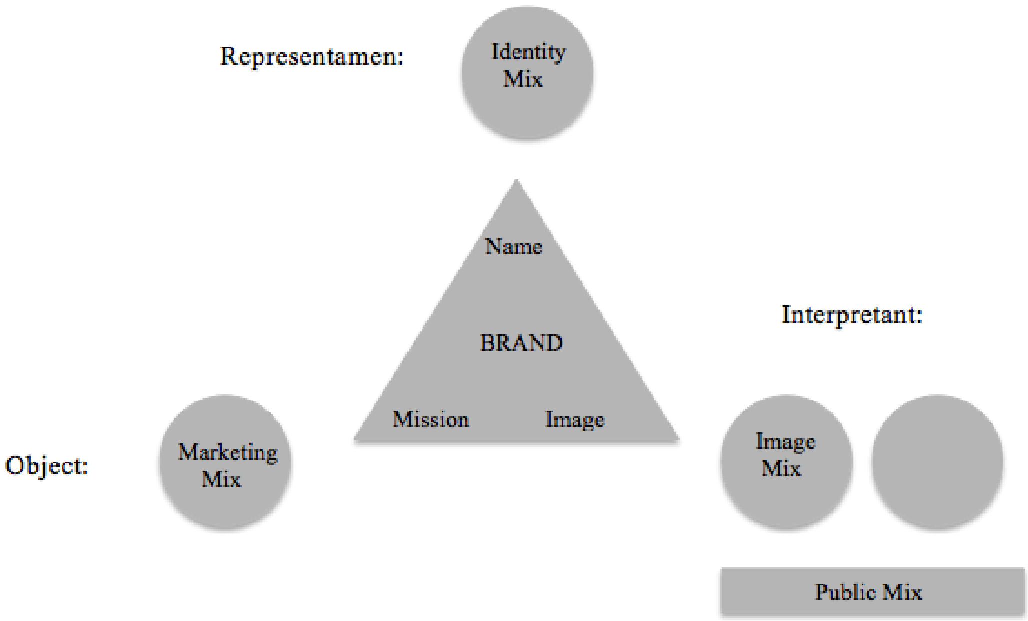
Therefore, the brand´s name and others signs liable to legal protection as the lettering, logo and slogan corresponds to the *representamen*. Thus, the name and remaining signs of its legal identity set the brand´s identity mix (Lencastre, 2007).

The brand´s legal entity is the first instance of the object. On the other hand, the set of its offers, the benefits proposed to the public and marketing actions – marketing mix - are the second instance of the object (Lencastre, 2007).

The *interpretant* covers two strands – the interpreter and the interpretation. In this case, the *interpretant* will match to the image that brand has with the interpreter. As different interpreters – public mix - may have singular interpretations of a brand, they will build different images – image mix – of it. Therefore, the image mix includes various variables and responses to the affective and behavioral cognitive field. (Lencastre, 2007).

The brand embodies a set of elements that gives it an identity, which represents a mission or overall values caring associations that allow a different image of the competition to be presented to its public.

Figure 1 - The triadic approach of brands



Source: Lencastre (2007)

Lencastre (2007) affirm that there are two distinctions that portray the relationship between the three main pillars analyzed.

Firstly, there is a clear contrast between the *permanent* character of the identity-mix and the adaptive nature of the marketing-mix. The brand´s name and other visual signs manage to be stable over time, thus preserving its identity. Contrariwise, the marketing-mix demands continuum acting as markets and consumer needs are in permanent transformation.

The second distinction counterposes the brand´s impressions of emission and reception. The emission impressions are a set of marketing mix and identity mix elements that outcome in the whole brand´s identity. On the other hand, reception impressions are a set of perceived images by consumers and public mix representing the company's results and effectiveness that outcome the brand value.

2.1.2. Brand Equity

Vasquez, Del Rio and Iglesias (2002) describe brand equity as the general value that consumer links with the use and consumption of the brand, as relations stating both purposeful and symbolic attributes. Kotler, Bowen and Makens (2014) support the same idea, considering brand equity as the added value endued on products or services. Complementary from the perspective of the brand owner, brand equity can be translated in the form of financial, strategic and management benefits (Riezebos, 2003).

Brady, Cronic, Fox and Roehm (2008, p.152) disclose a more wide definition about this theme.

> Brand equity is a perception of belief that extends beyond mere familiarity to an extent of superiority that is not necessarily tied to specific action. Familiarity does not imply belief in superiority… Brand equity does not imply action, only perception.

These authors believe that brand equity contains positive disposition that may or may not outcome in acquiring behavior. Therefore, behavioral intentions are one of the results of brand equity, instead of its component.

Nam, Ekinci and Whyatt (2011) identify five key determinants of brand equity – physical quality, staff behavior, ideal self-congruence, brand identification and lifestyle-congruence. While physical quality and staff behavior catch functional aspects, ideal self-congruence, brand identification and lifestyle-congruence are symbolic aspects of brand equity.

In order to be aware about a new brand, consumers must be able to recognize – ability to affirm previous contact with the brand when it is assumed as a cue - and recall it - ability to regain the brand from memory once given the product or category or the requirements satisfied by the category as a cue.

For this reason, Keller (2013) defends that brand equity arises whenever consumers have a high level of awareness and knowledge with a specific brand, holding some solid, positive and distinctive associations in memory. Budac and Baltador (2013) go even further suggesting that brand equity deliver a higher profit margin, superior pricing and an abate in the need for promotions. This declaration is based on the principle that customers are willing to buy a brand with a higher brand added-value instead of other with lower added-value (Crass, Czarnitzki & Toole, 2016). In like manner, allows business growth over brand extensions, holding diverse marketing programs (Budac & Baltador, 2013).

2.2. Rebranding

The word *rebranding* expresses the act of rename a brand. Therefore, *rebranding* is a neologism, made up of two well-described terms – re and brand. On the one hand the prefix has a connotation of anew, inferring a repetition of the action. On the other hand, the word brand has been previously defined according to the American Marketing Association. So, an achievable description of corporate *rebranding* is the conception of a new name, term, symbol, design or a mixture of them, for a founded company´s brand, with the purpose of developing a distinguished and new position in the mind of all stakeholders and competitors (Muzellec & Lambkin, 2006).

More specifically, whenever a product name and other elements of it change, is a case of product *rebranding*. If this change occurs in a service, is named service *rebranding*. The occurrence of product *rebranding* has become very common over the last twenty years (Kaikati & Kaikati, 2003; Kumar, 2003), whereas service *rebranding* has been emerging in Europe over the last decade (Collange, 2014).

When the purpose is to rebrand the entire company it is a case of corporate *rebranding*. Sometimes is also called as brand refreshment, brand reinvention or brand re-visioning depending on the company´s objectives (Merrilees & Miller, 2008). For Stern (2006) *rebranding* is the way in which the name of a company or its target or position is modified, trying to add new meanings to the corporate brand. All stakeholders must be informed about the new brand standards, values and image. Usually, the most common way to communicate that to all stakeholders is through a unified marketing communications campaign (Daily & Moloney, 2004).

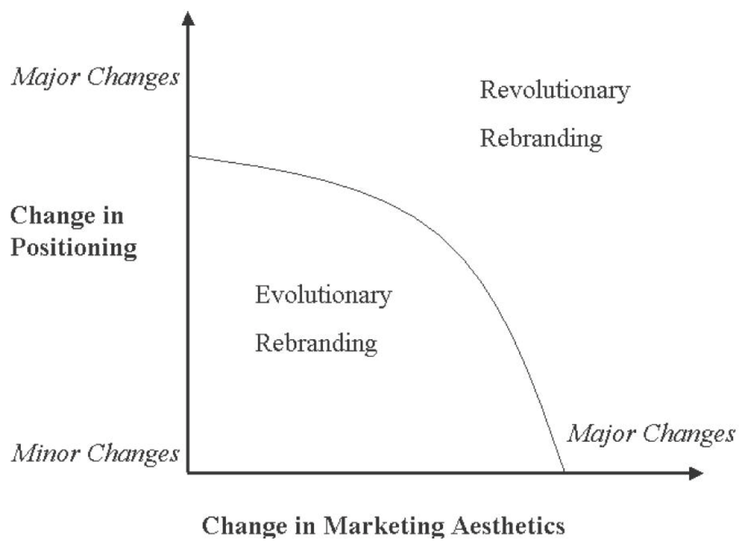
The little scientific research on corporate *rebranding* shows that notwithstanding the opportunities that *rebranding* may offer, there is always a risk involved. Customers might question that the service characteristics they previously appreciated, like the atmosphere or employees contact, will be modified along the *rebranding* process. Also employees and financial analytics might feel that the *rebranding* will harm the company´s status (Kapferer, 2012; Fombrun & Van Riel, 2004; Cornelissen, 2011).

In order to *rebranding* be successful, both the process of implementation strategy as the branding strategy – choice of the new brand name - need be aligned (Keller, 2013).

2.2.1. Different types of corporate *rebranding*

Muzellec and a Lambkin (2006) came up with a descriptive model to portray the concept of *rebranding,* as illustrated in Figure 2.

Figure 2 - Model of *rebranding* as a continuum



Source: Muzellec and Lambkin (2006)

For these authors, *rebranding* can be explained according to the degree of change in marketing aesthetics - name, term, symbol, design or a mixture of them – and in the brand position and, therefore, characterized as evolutionary or revolutionary.

Evolutionary *rebranding* indicates a sight and gradual improvement in the company´s aesthetics and positioning, barely perceptible to outside observers. In contrast, revolutionary *rebranding* presents a main and key change in the company´s aesthetics and position that redefines the entire organization, typically identifier by a change of name.

Collange (2008) developed a well-known criterion suitable to explain the relations along corporate *rebranding*.

Composed by three key norms, the first relays on the awareness of the new brand. This means that, at the time of *rebranding*, consumers may be already or may be not familiar to the new brand.

The level of change is considered to be the second norm. The alteration might just cover the name or might be extended to other elements as recipe/formula, price or packaging in products and change of offer, contact employees or design in services.

Lastly, the third norm refers to the number of brands of the brand hierarchy where the *rebranding* happens. Typically, products and some services are endorsed by a particular brand – product brand name – or by two brands – a product and a parent brand name - like the double branding example of Courtyard of Marriott. Nevertheless, diversified service companies, which trust a selection of multi-corporate brands (Devlin, 2003), might experience *rebranding* of a sub-division of the company – business unit – or change the name of company itself. A famous example is the Accor Group, now changing all business units Etap Hotels to Ibis (Collange, 2015). Table 2 summarizes the information above, displaying the different typologies of brand names changes in products and services.

Table 2 - Typologies of brand name changes in products and services

Norm	Typology
Awareness of the new brand	Familiar Unfamiliar
Level of change	Name only Name and other elements
Brand hierarchy	Product/service brand name Product/service and a parent brand names Business unit name Corporate name

Source: Adapted by Collange (2015)

2.2.2. Drivers affecting corporate *rebranding*

The review on literature suggests that a change of name is mostly linked to a change in the organization itself. Therefore, the core drivers for corporate *rebranding* are, consequently, choices, events or happenings of ample importance to imply the necessity for a vital redefinition of organization´s identity (Muzellec & Lambkin, 2006). Those can vary from modifications in ownership structure like mergers or spin offs, alterations in corporate strategy as internationalization, change of competitive position because of reputational problems or outmoded image and lastly, determine by a external environment change like a legal obligation or an major crisis, as illustrated in table 3 (Keller, 2013; Lomax & Mador, 2006; Muzellec & Lambkin, 2006; Collange, 2015).

Table 3 - The four main drivers of corporate name changes

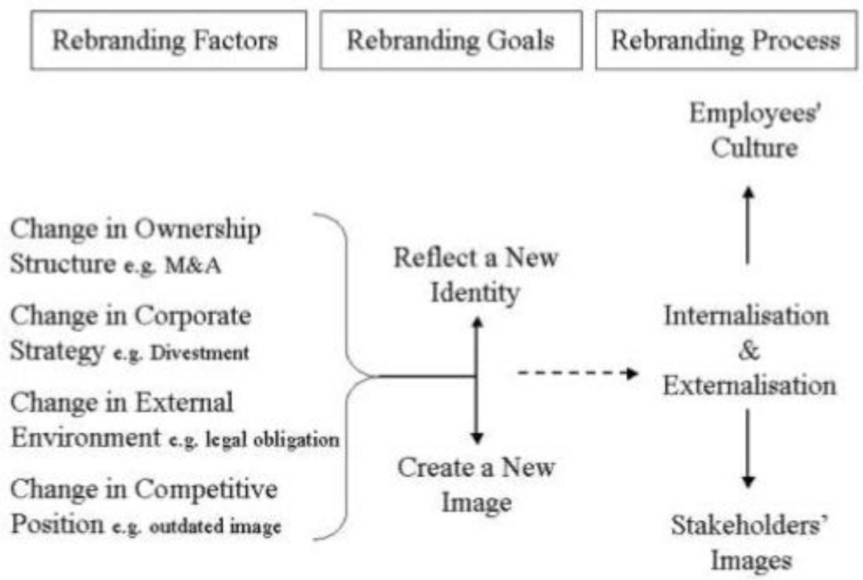
Modification in ownership structure	Alterations in corporate strategy	Change of competitive position	Change in external environment
Merges and acquisitions	Diversification and divestment	Erosion of market position	Legal obligation
Spin-offs and demergers	Internationalization and localization	Outdated image	Major crises or catastrophes
Private to public ownership		Reputation problems	
Sponsorship			

Source: Muzellec and Lambkin (2006)

2.2.3. Models of corporate rebranding

Muzellec & Lambkin (2006) have introduced a *rebranding* process model, in which pinpoints three phases: *rebranding* factors, *rebranding* goals and *rebranding* process, as illustrated in Figure 3. This model is a considerably contribute to the understanding of the concept of *rebranding*.

Figure 3 - Muzellec and Lambkin rebranding process model



Source: Muzellec and Lambkin (2006)

While the *rebranding* factors highlight the reasons to rebrand, the *rebranding* goals are recognized as creating a new image that, therefore, will reflect a new identity. This model underlined the involvement of internal employees – internalisation - in forming the cultural image reflected in a fresh identity, whilst the involvement of external stakeholders - externalisation – will allow creating a new image.

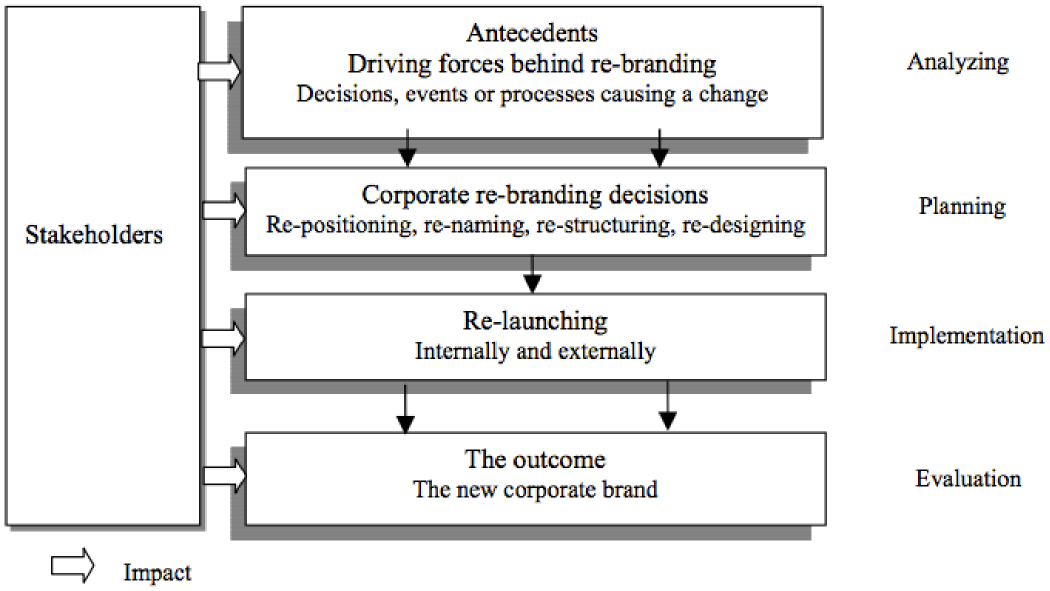
For Goi & Goi (2011) this model neglects an important item to be considered, which is a constant motorization and evaluation of *rebranding* process in all stages.

In contrast, Daly & Moloney´s (2004) present a model where motorization and evaluation are items to be considered. These researchers suggest that the *rebranding* process happens along the subsequent stages: a pre-situation analysis, partnership campaign as stage one, vision and values as stage two, brand naming as stage three, pre-launching as stage four and launching as stage five.

In sum, the process of *rebranding* is seen as a complexity of events with temporal connections between them, rather than a casual and isolated instance (Van de Ven & Poole, 2005).

On the basis of the previously literature review, Ahonen (2008) proposes a more detailed model for the *rebranding* process. A number of four key phases – analyzing, planning, implementation and evaluation - are mentioned and composed by several tangled sub-processes, as displayed in figure 4.

Figure 4 - Ahonen´s rebranding model



Source: Ahonen (2008)

The first phase embraces analyzing all antecedents and driving forces behind *rebranding*, like decisions, events or processes causing a change in structure, strategy or performance of the company (Ahonen, 2008; Lomax & Mador, 2006 & Muzellec and Lambkin, 2006).

The extensive phase of planning comprises a several decisions of repositioning, renaming, restructuring and redesigning the new corporate brand. These decisions also include the level of *rebranding* – corporate, business unit or product/service level – and the minor or major change – revolutionary or evolutionary *rebranding* - in nature. Stakeholders, as employees and clients, are significant fonts for pretesting the new marketing aesthetics (Ahonen, 2008; Daly & Moloney, 2004, Lomax & Mador, 2006 & Muzellec & Lambkin, 2006).

The new brand´s release, carefully planned on phase two, determines the implementation phase. The relaunched should first occur to all internal stakeholders, followed by external stakeholders (Ahonen, 2008). Internal stakeholders can experience the newest brand through internal brochures, newspapers, workshops or intranet, while it can be externally communicated over press releases and advertising (Daly & Moloney, 2003, cited by Ahonen, 2008).

Finally the evaluation phase covers all the work done in previously phases, in order to assurance the success of the outcome (Ahonen, 2008).

It is comprehensive that for a successfully outcome, *rebranding* demands a right synergy between marketing, human resources, management and strategy (Hatch & Schultz, 2003).

2.3. *Rebranding* in Hotel Industry

From minor guesthouses to international hospitality chains, the increase and importance of branding is becoming notorious in all the different segments of hospitality (O´Neill & Carlback, 2011). On account of this, the ancient maxim “location, location, location” has now been switched for “flag, flag, flag”, as the most significant cause for an effective hospitality operation (Taylor, 1995).

It is estimated that one-third of all hotels have gone through *rebranding* since its opening (Dev, 2015). The decoupling of functions in hotel industry facilitates the *rebranding* process. For instance, a hotel can be possessed by an investment fund, operated by a hotel management company and branded by a franchisor. In such a way it is smooth to change brand names, as the decoupling of functions does not implicate entirely altering any of other functions (Tsa, Dev & Chintagunta, 2015).

A hotel might rebrand for numerous reasons. In many instances the property owner decides to try to obtain chain affiliation. Occasionally hotels can be rebranded to attract different market segments due to shifts in local demand. Situations as change in the franchise fee or franchise contract expiration are other reasons to initiate *rebranding*. On the other side, if an out-of-date hotel does not meet the existing brand standards it might be debranded (Tsa, Dev & Chintagunta, 2015).

Hospitality companies as Marriott and Hilton are spreading their flags over the world through franchising and management contracts, affirming that their brands support independent hotels to increase occupancy percentages and revenue per available room (Olsen, Yeasun, Graf, Kyuho & Madanoglu, 2005). Likewise it will also enable to achieve better positioning in the market. For a certain cost, branded hotels have access to a package of brand advantageous tools as brand´s central reservation system, revenue management program, global distribution systems, loyalty programs and brand awareness (O´Neill & Carlback, 2011). For Forgacs (2003) a solid and stable hotel brand can directly improve revenue, average price and return on investment. O´Neill & Mattila (2010) consider that branding generates loyalty for both guests and hospitality companies, resulting on an additional value.

For the authors this is one of the reasons why there has been an intensification of brands in the hospitality sector.

Because branding provides information about service quality and stability offering trust for guests (Kotler & Armstrong, 2012), Guenc (2010) defends that guests take quality and reputation of services deeply into consideration during the decision choice. Additionally, hotel companies created sub brands differing pricing and service level in order to track new niche markets. It has been noticed that some hotel chains have more than 13 distinctive sub brands (Olsen, Yeasun, Graf, Kyuho & Madanoglu, 2005).

There is a direct impact of *rebranding* in employee self-esteem. Whenever a hotel is rebranded to a superior brand, it is likely that the employee morale will be intensified. In addition, whenever there is a replacement from a local brand to a global one, employees will have more chances to growth and opportunities to be transferred (Tsa, Dev & Chintagunta, 2015). In contrast to this, when a well-respected brand with a solid philosophy is substituted to a less-respected brand, it is expected that the employee morale will decrease (Merrilees & Miller, 2008). Moreover *rebranding* carries the necessity to learn new procedures and use new management programs that might be frustrated and not well accepted by employees (Tsa, Dev & Chintagunta, 2015). In summary, these different characteristics should also be taken into account before *rebranding*.

2.3.1. Independent hotels: when not to rebrand

It has been argued that some hotels are managed better as independent units instead of having brand affiliation. Characteristics as an historic value stresses out the unique worth of some independent hotels, not requiring a brand to guarantee a high demand (Rushmore, 2004). The author goes even further announcing that if the hotel has one or more of the subsequent attributes it should consider maintaining its independence. The attributes are:

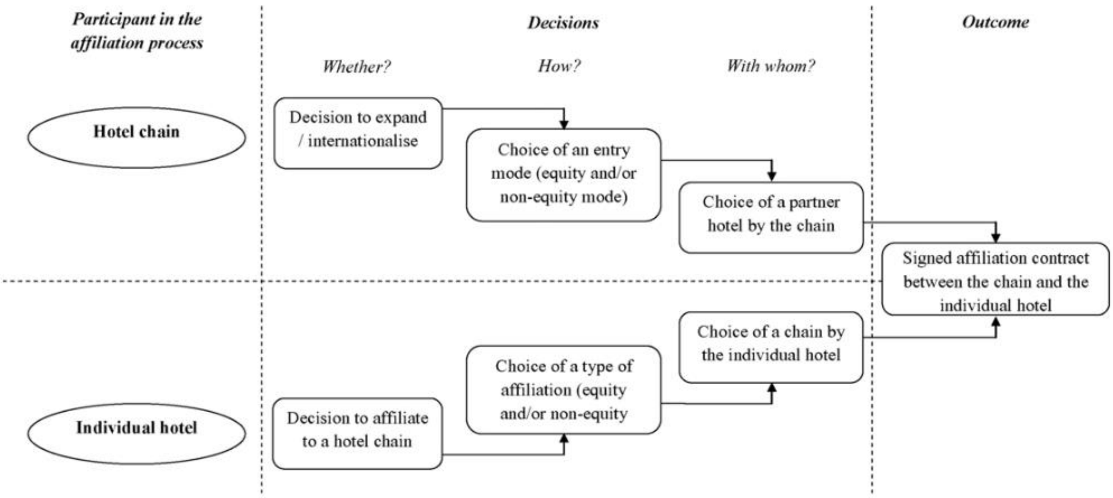
- An exclusive location
- An unique building architecture
- A boutique hotel
- An eye-catching name
- An excellent management
- Rare amenities

The owners can have the autonomy to operate differently and to promote the hotel according to its uniqueness, not depending on the requirements imposed by the brand. Money saved on franchise royalties and marketing fees are other advantages of this type of hotels (O´Neill & Carlback, 2011), as eight to eleven percent of rooms revenue typically represent the franchisor´s royalties (Rushmore, 2004). At the end of the day, this cost corresponds to a twenty-five percent partner.

2.3.2 Process of affiliation with a hotel chain

Both the independent hotel and the hotel chain have to take three leading decisions, before undertaking the process of affiliation. The hotel owner must decide whether to be part of a hotel chain or continues being independent, select the most desirable type of affiliation and choose which brand he wants to be affiliated with. From the hotel chain perspective, it is also necessary to decide whether to expand the brand or not, the most effective input mode and select the right hotel partner. The final outcome is both parties signing the affiliation contract, as illustrated in figure 5 (Ivanova & Ivanov, 2015).

Figure 5 - Decisions taken by the independent hotel and hotel chain before the affiliation process



Source: Ivanova & Ivanov (2015)

Being of great relevance to the case study under review, it is important to deepen the hotel owner's perspective.

2.3.2.1. Whether?

Firstly, after evaluate the hotel´s performance the owner has a decision to make. Or continuous to operate as an independent unit or seeks for a hotel chain´s affiliation. The continuous spread of new properties, the emergence of alternatives to hotels as local housings and an increase in the penetration of international brands in the market are risks faced by independent hotels (Bailey & Ball, 2006). Affiliation with a hotel chain is indicated as a suitable way to overcome the aggressive competition (Claver-Cortes, Pereira-Moliner & Molina-Azorin, 2009). The hotel chain brand covers greater market visibility at the same time as the hotel automatically gains the image and reputation of the corporate brand (Cai & Hobson, 2004). Plus, the hotel has access to economies of scale resulting by the multinational nature of hotel chains (Contractor & Kundu, 1998a). The hotel chain gives access to its systems of reservations, operations, marketing and staff training (Espino-Rodriguez & Taylor, 2006) to assurance consistent service quality among the properties (Ivanova & Ivanov, 2015).

Although there is an increase of costs related to contract fees and other transaction costs during affiliation, the chain´s brand status induces superior performance results compensating the former investment (Holverson & Revaz, 2006). However, for a few independent hotels that built their brand around their uniqueness, affiliation to a chain might represent losing their spinal cord. Hence, this is a disadvantage of hotel chains (Holverson & Revaz, 2006). After weighing all the pros and cons of affiliation, the hotel owner must decide whether it will be more lucrative to continue operating as an independent hotel or to join a hotel chain.

2.3.2.2. How?

In the past owners of independent hotels had reduced negotiating power over the affiliation process, depending exclusively on the proposals presented by hotel chains. Thanks to the proliferation of new hotel chains in recent times, the abundant competition between brands has given some negotiable margin to independent hotel owners at the time of their affiliation (Butler & Braun, 2014). Therefore, the second decision to be made by the hotel owner is to choose the best type of affiliation – equity and non-equity - for its property. On the side of equity types of affiliation there are the following options: joint venture and full ownership. Already on the side of non-equity types of affiliation, sometimes also named as contractual modes, can be listed management contracts, franchises, marketing consortiums and leasing (Contractor & Kundu, 1998a). While on the equity type of affiliation there is a financial participation of the hotel chain in the property, in the non-equity type of affiliation this situation is not verified (Ivanova & Ivanov, 2015).

Specifically in the case of a joint venture the hotel chain owns part of the property´s capital, allowing the chain to take an active part in the property´s management (Contractor & Kundu, 1998a). Most of the times this equity type of affiliation is the solution for vast investment projects, like resorts and luxury hotels, where the independent owner quests the financial and long-standing commitment of the brand (Ivanova & Ivanov, 2015). In full ownership the hotel is entirely owned by the chain and, consequently, the former owner of the hotel no longer has any connection to the property. The independent hotel owner is delinking from that position.

Under a management contract, the owner delivers the management of his hotel to a branded hotel chain. The termination of a management contract may become a time-consuming and painful process because it has rather rigid terms. While on a management contract the owner is able to distance himself from the daily operation, a franchise contract do not requires relinquish of management control (Rushmore, 2004). Under a franchise contract, the brand equips the property with all the necessary operation guides to run according to the brand standards. Thus, the hotel owner is able to have greater freedom of management control (Dev, 2012).

The marketing consortium affords the maximum level of independence of hotels within the chain while, boosting their marketing positions (Chathoth & Olsen, 2003). Without a strong commitment with the brand, it is a soft version of hotel chain affiliation (Holverson & Revaz 2006).

Sometimes poorly classified as an equity mode (Martorell-Cunill, Gil-Lafuente, Socias Salva & Mulet Forteza, 2013), lease contracts are a non-type of affiliation, as the hotel chain does not own the hotel property (Ivanova & Ivanov, 2015). However, the owner steps away from the daily operation of is hotel, not having any association with the property management (Ghorbal-Blal, 2008).

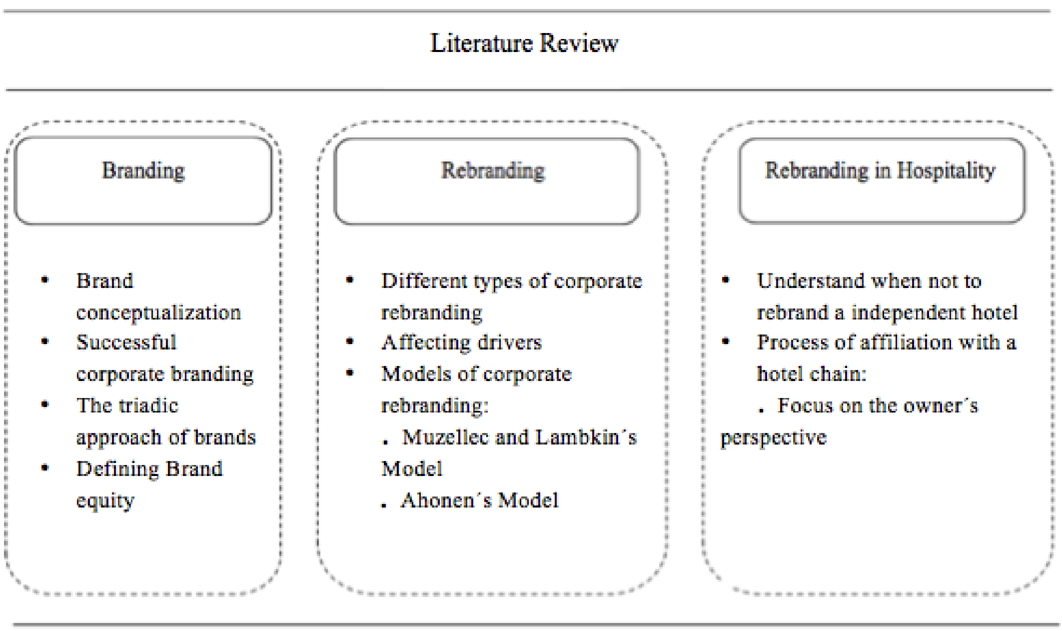
Guillet, Zhang & Gao (2010) considered that franchise is the preferable choice to independent hotels whenever selecting a non-equity type of affiliation (Guillet, Zhang, & Gao, 2010). All in all if the hotel owner pretends to have some control over the daily-operation will name a franchise contract or marketing consortia, as well as on a lease or a management contract he hands the management of is hotel to the brand (Ivanova & Ivanov, 2015).

2.3.2.3. With whom?

Last but not least the hotel owner must elect the hotel chain that best represents his property, which sometimes becomes a long process (Altinay, 2006). Both parties evaluate each other during this process. The chain´s distinguishing features are the main criteria of selection considered by the independent hotel owner. For Xiao, O´Neill & Wang (2008) financial topics such as contract fees, contract length and terms of termination are the first to be analyzed. Another filter of choice is a chain with strong brand awareness and a global reservation system. Conflicts that have emerged since the partnership was signed are a consequence of an unfitting choice of partner (Altinay, Brookes, Yeung & Aktas, 2014).

In summary, all topics covered in this chapter of literature review were approached according to the structure presented below.

Figure 6 - Structure of Literature Review Chapter



Source: Own elaboration

CHAPTER III: METHODOLOGY

3.1. Introduction

The current chapter presents the methodology used in this research. However, in line with this methodology, the present research, respect all the steps of the scientific process (Figure 7), namely, the statement of problem, the literature review and its association with the problematic research and the construction of the conceptual framework model.

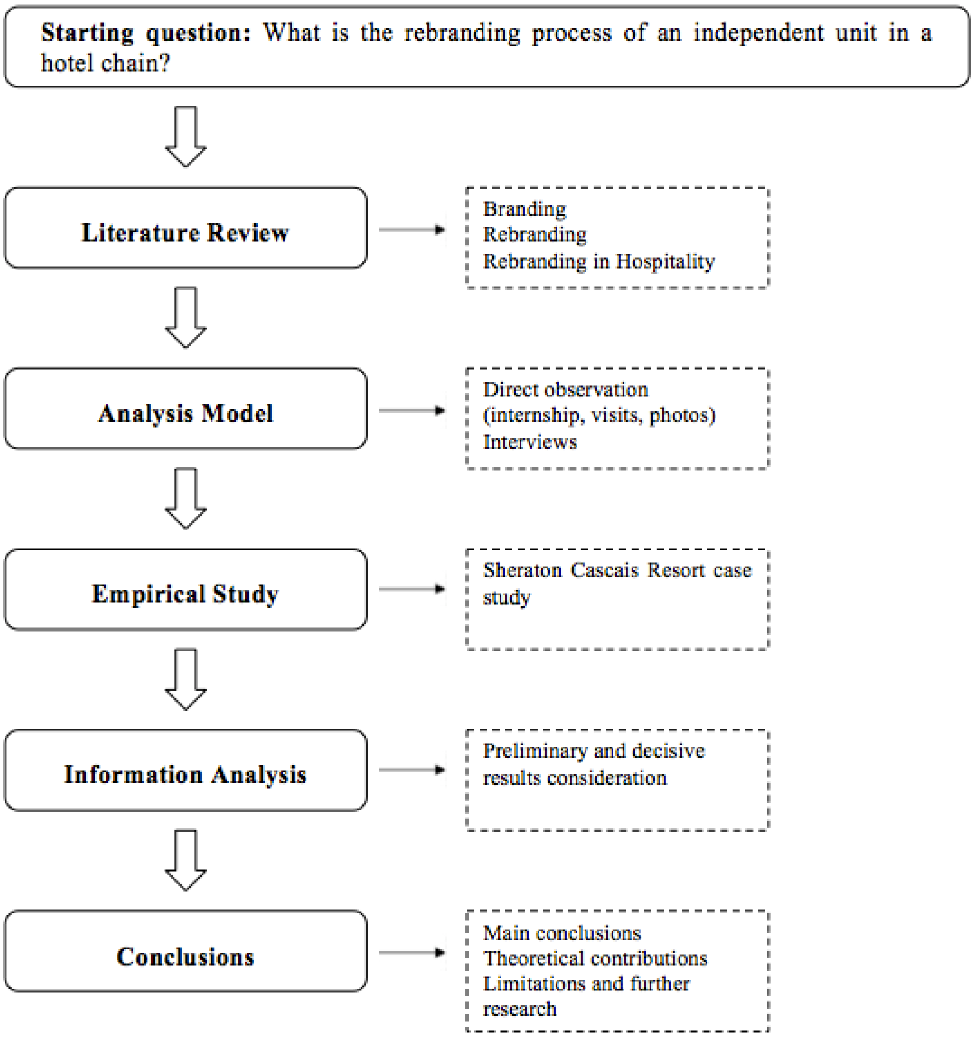
According to Guba (1990) & Jennings (2001) a research paradigm can be viewed as a set of basic beliefs which guide the action of the researchers to recognize their role in the research process with a disciplined enquiry. That is to say that a research paradigm is a research course of action, which reflects on research design, a data collection method, presentation of findings and how interpretations of the findings are made.

The conceptual model of this paper focuses on the scheme recommended by Quivy & Campenhoudt (1995). The authors state that any scientific procedure must have three distinct moments:

- Break - stage of elaboration of the question of departure and exploration of the problematic through literature review.
- Construction - stage of analysis model creation.
- Verification – moment constituted by the stage of observation within the empirical study, by the analysis of the information and by the conclusions drawn.

In this way, there are six consecutive phases starting from the following initial question that support all research conducted – *What is the rebranding process of an independent hotel in a hotel chain?* – as represented in figure 7. The question is framed in the case study of Sheraton Cascais Resort. In terms of research approach, it is necessary to tie well-defined objectives that will allow answering the initial question. Therefore, it is intend to understand the hotel dynamics as an independent unit, identify the drivers for *rebranding,* the hotel chain choice, the restructuring plan design and its implementation.

Figure 7 - Scheme of research model used



Source: Own elaboration

In order for the research to benefit from recognized scientific rigor, it is necessary to carry out a literature review focused on the subject under analysis. Therefore, the deepening of the understanding of concepts of branding strategy, the process of *rebranding* and *rebranding* in the hotel industry has always been through the reading of papers with high scientific content.

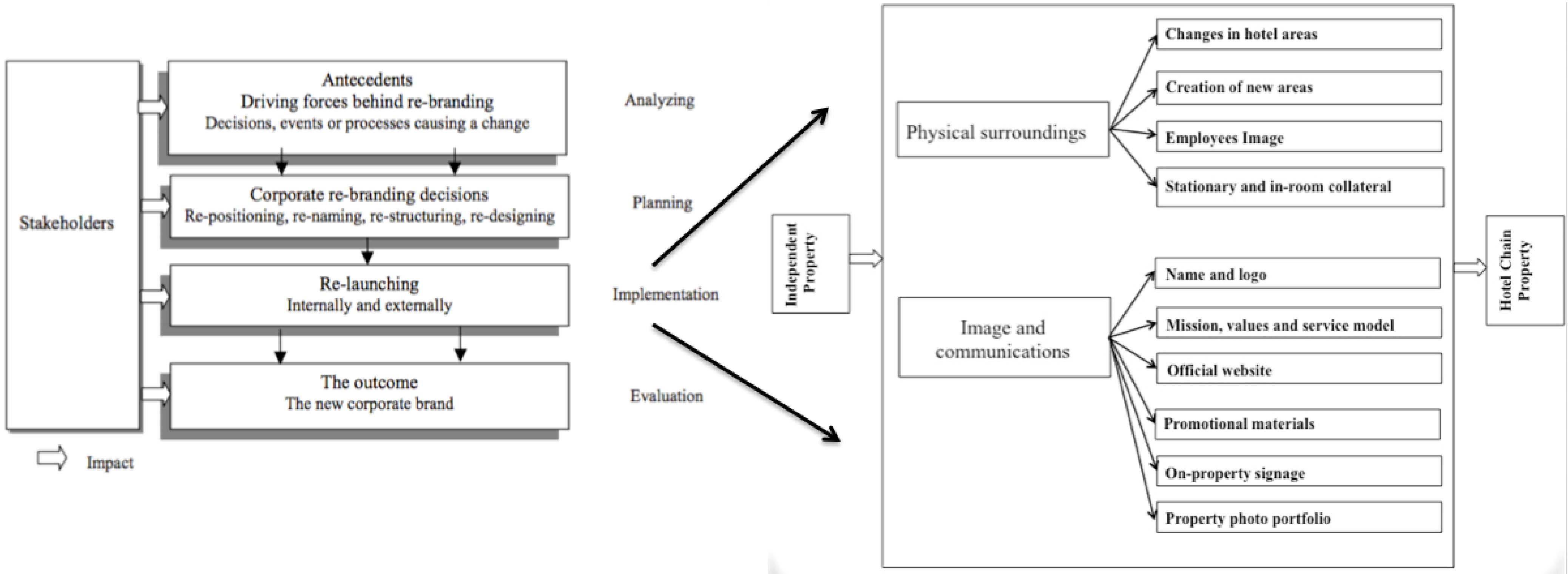
3.2. Theoretical Framework

Research approach is concerned with how the research project will engage the use of theory (Saunders et al., 2007). In general, there are two research approaches: the deductive approach (testing theory) and the inductive approach (building theory) (Tashakkori & Teddilie, 1998; Miller & Brewer, 2003; Saunders et al., 2007). The theory testing approach (deductive) is usually associated with quantitative data, whereas the theory construction approach (inductive) is more commonly associated with qualitative data (Finn, Elliott-White & Walson, 2000).

Based on these statements, the deductive approach was adopted in this research, for the following reasons: first, the deductive approach owes more to the positivistic philosophy (Saunders et al., 2007), which has been chosen as the current research philosophy. Second, the usefulness of the Ahonen´s model as a holistic theoretical framework will be tested to explain the implementation of rebranding.

A theoretical framework mostly represents a flow from turmoil to certainty (Miles & Huberman, 1994), grating accuracy and precision to the research (Punch, 2005) and adding coherence to the researcher's dissertation (Miles & Huberman, 1994). In this way, it is intend to use Ahonen´s model as structuring focus of analysis, studying its validity. The model was applied to the case study, respecting the condition of analyzing only the component of *rebranding* directly visible to guests. It is aim to deconstruct the four sequential steps of Ahonen´s model and fit them into the events adjacent to and underlying the hotel's brand change, as illustrated by figure 8. So it is plan to verify if the practical application of *rebranding* implementation, in the case of Sheraton Cascais Resort, respects the defended in the theoretical model.

Figure 8 - A conceptual *rebranding* model to analyze the case study



Source: Own elaboration

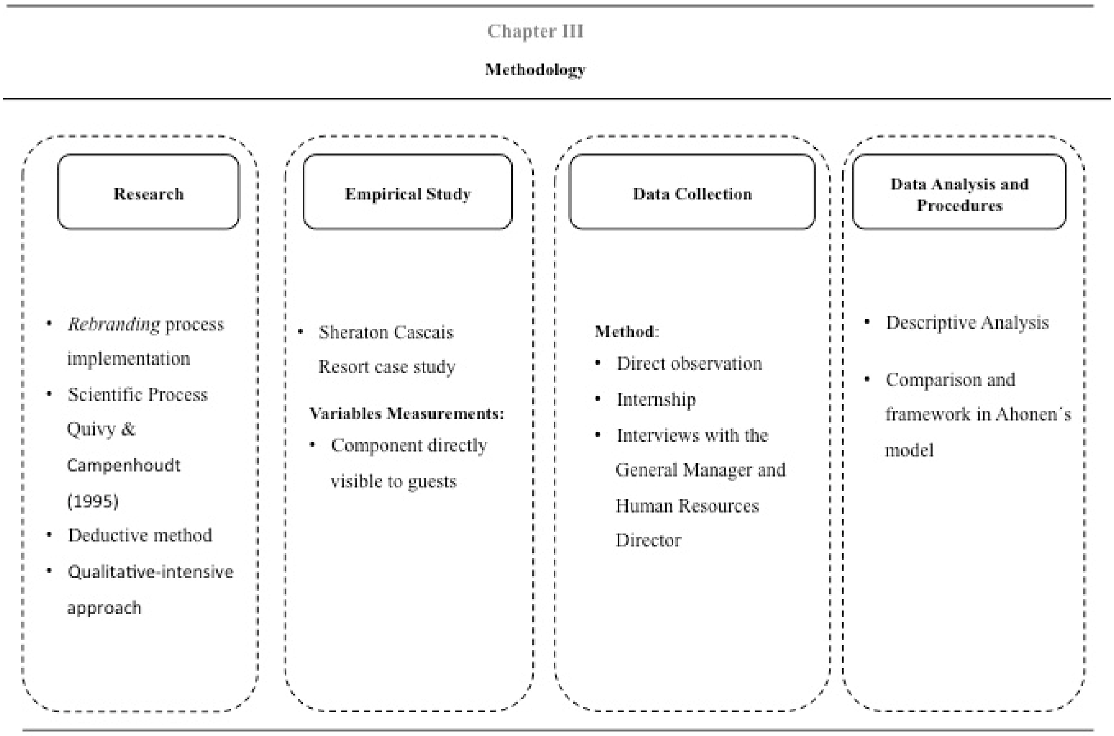
3.3. Information analysis Procedures

Moreover, the methodology of analysis concentrates a deductive method, attempting to search new empirical results, as well as a qualitative-intensive approach, allowing analyzing a broad set of aspects of the empirical study. The daily monitoring of the operation during the internship period and the ease of conducting visits to the changing areas allows to observing some research assumptions and carrying out their photographic registration. Thus, elements such as alterations in hotel areas or in promotional brochures are possible to be registered both in the previous phase and after the change, allowing understanding the extension of *rebranding*. On the other hand, conducting interviews with managers – General Manager (GM) and Human Resources Director - responsible for effectively implementing the *rebranding* strategy within the hotel, allows gathering more detailed information about the entire strategy.

The empirical study focuses on the case study of Sheraton Cascais Resort, formerly Vivamarinha. In this way, it is possible to interconnect and apply theoretical concepts from the literature review to a real case study in the pursuit to answer the initial question. The case study was chosen in accordance to the following reasons. Firstly, the unit is currently in the final phase of *rebranding*, transiting from an old independent hotel to a chain hotel, taking into account the theme under study. Secondly, it was offered me the opportunity to undertake a six-month internship in the hotel´s marketing department, from November of 2016 to June of 2017. This fact allowed me to get involved in the daily operation of the hotel, to study and recognize Sheraton´s basic standards of identification and branding and to see how *rebranding* measures were being implemented. At the same time several marketing functions were assigned to me as website and social media management and design of new press release. Lastly, the hotel´s GM granted permission to search, collect, analyze and record the necessary information to build this dissertation.

After the end of the data collection for the empirical study, it will be possible to carry out its analysis in order to draw different conclusions. It should be noted that the set of all the conclusions reached aim to answer the starting question. Limitations and further research considered important should also be invoked. The following figure 9 summarizes the issues discussed throughout this chapter of methodology.

Figure 9 - Structure of Methodology Chapter



Source: Own elaboration

CHAPTER IV: SHERATON HOTELS AND RESORTS

The current chapter intention is to make known to the reader the diverse universe and heritage of Sheraton Hotels and Resorts. It is intended to understand the evolution of the brand over time and up to the present. Afterward it is felt the need to explore the essence and basis of brand building by analysing its mission, future purpose, core values and service model. Others elements of direct impact on branding will be seen as the colour palette and lettering used by Sheraton, voice of communication and the brand´s mandatory requirements.

4.1. History

Sheraton Hotels and Resort it is a strong and well-known brand from the Starwood´s group portfolio, which was recently acquired by Marriott.

Ernest Henderson and Robert Moore founded Sheraton Corporation in 1937, with the opening of its first hotel in Springfield, Massachusetts. In the following years, Sheraton acquired several properties from Maine to Florida and, in 1949, expanded internationally with the buy of two Canadian hotel chains. The launch of "Reservatron", in 1958, marks the first automatic electronic reservations system within the industry. Sheraton has open is first property in Middle East in 1961 – Tel Aviv Sheraton - followed by the first opening in Latin American in 1963 – The Macuto Sheraton Hotel. Then, Sheraton celebrated its 100th hotel with the opening of Sheraton Boston. Starwood Hotels & Resorts later bought it in 1998. In 2006 Sheraton created a new lobby bar´s concept in the industry named Link@Sheraton, aiming to create a conjoining lobby fit for guests to relax, work, socialize or have a snack. In a constant innovation, Sheraton goes even further. In 2008 introduced the Sheraton Fitness in its hotels, an all-inclusive fitness program that embraces fully equipped fitness centers and healthy dining options. The opening of Sheraton Shantou in China, in 2013, represented the brand´s 100th hotel in Asia Pacific setting it place as the major international hotel brand operating in China.

After the merge of Marriott and Starwood Hotels & Resorts in 2016, Sheraton happens to belong to the biggest and leading hotel chain in the world. Currently, Sheraton claims a collection of over 435 hotels and 88 resorts along 70 countries.

4.1.1. About Starwood Hotels & Resorts

Starwood Capital Partners, a Chicago real estate acquisition company, is founded in 1991. Starwood Capital purchased its first hotels two years later and, in 1994, already has interests in other 30 properties. In September of 1997, Starwood Lodging reveals an agreement to acquire Westin Hotels & Resorts and, within a month, presents another proposal to buy Sheraton Corporation. Contracts were signed in 1998 and Starwood Lodging acquired Westin Hotels & Resorts for $1.8 billion and Sheraton Corporation for $14.3 billion. After acquired these brands, Starwood Lodging is renamed Starwood Hotels & Resorts with a set of more than 650 properties along 70 countries worldwide. The first W Hotel was also opened in 1998. In 1999 Starwood entered the vacation ownership market, one of the most lucrative markets, with the purchase of Vistana Inc. The year is marked by the growth of openings of Four Points hotels and St. Regis properties and by the launch of its well-reputed loyalty program baptized Starwood Preferred Guest. In order to expand its presence in Europe and Middle East, Starwood purchases Le Méridien in 2006. Two years later, the first Alof and Element hotels were open in Massachusetts. In 2010 Starwood celebrated the opening of its 1,000th hotel, The Sheraton Qiadao Lake Resort in China, and the following year is positioned as Asia´s largest operator of four and five star hotels. One year later, Starwood created The Tribute Portfolio, a selection of independent units joints by a passion for artistic and visual design and purchased Design Hotels AG, a Berlin-based company with 200 hotels in 40 countries.

In 2016 Marriott purchases Starwood in one of the largest transactions ever. Nowadays Starwood is composed by 11 brands with more than 1,500 properties in almost 100 countries.

Figure 10 - Starwood´s brand portfolio

Source: http://www.starwoodhotels.com/corporate/press/history.html / (consulted on December 11)

4.1.2. About Marriott

In 1927 J. Willard Marriott and his wife Alice opened the Hop Shoppes Restaurant in Washington D. C. The characteristic good food at a reasonable price allowed the business to grow until the 50´s. Yet in 1957 the Marriott´s family decided to make a historical shift into the hotel industry, opening the world´s first motor hotel in Arlington, Virginia. Already in 1969, Marriott becomes an international brand with the opening of its first hotel in Mexico. Within the leadership of J. W. Marriott Jr., Bill, as Chief Executive Officer since 1972, Marriott has transformed the industry. In 1983 Marriott entered the niche of corporate market with the inauguration of the first Courtyard Hotel. It is in the late 1980´s that Marriott develops a mindset of "one company, many brands" as motto for its continued expansion. In 1987 becomes the first hotel chain to offer a collection of brands with the opening of its first Fairfield Inn and Marriott Suites hotels. In 1987, Marriott purchased Residences Inn followed by The Ritz-Carlton Hotel Company in 1995 and Renaissance Hotel Group in 1997. In the following two years Marriott has created two more brands named TownePlace Suites and SpringHill Suites by Marriott. Already the first Bulgari Hotels & Resorts property opened in 2004. Between 2008 and 2011, Marriott created and launched three more brands entitled The Edition, Autograph Collection and AC Hotels, respectively. In 2012, Arne Sorensen is named President and CEO of Marriott International having created the first three-star brand Moxy Hotels in 2013. In the same year is launched the design-focused AC Hotels by Marriott brand. Marriott buys Delta Hotels and Resort in 2015, becoming the largest hotel company in Canada. Lastly, in 2016 Marriott acquires Starwood Hotels & Resorts becoming the biggest and the number one hospitality company in the world.

Today, Marriott sums a portfolio of 30 strong brands divided into the following market segments:

- Classic Luxury – The Ritz-Carlton, St. Regis and JW Marriott.
- Distinctive Luxury – Ritz-Carlton Reserve, The Luxury Collection, Bulgari, W Hotels and Edition.
- Classic Premium – Marriott Hotels, Sheraton, Marriott Vacation Club and Delta Hotels.
- Distinctive Premium – Le Meridien, Westin, Renaissance Hotels and Gaylord Hotels.
- Classic Select – Courtyard Hotels, Four Points, SpringHill Suites, Protea Hotels and Fairfield Inn & Suites.
- Distinctive Select – AC Hotels, Aloft Hotels and Moxy Hotels.
- Classic Longer Stays – Marriott Executive Apartments, Residence Inn and TownePlace Suites.
- Distinctive Longer Stays – Element.
- Collections – Autograph Collection Hotels, Design Hotels and Tribute Portfolio.

Figure 11 - Marriott´s portfolio of brands

Source: http://www.marriott.com/marriott-brands.mi (consulted on October 26)

Honoring the founder´s beliefs of putting people first, Marriott operates in accordance to the motto "take care of associates and they will take care of the customers". With more than 1.1 million rooms across 5,700 properties spread over 110 countries, Marriott is on a mission to continue to open new properties and shape the future of travel through innovation and technology.

4.2. Worldwide distribution

Presently Sheraton holds 543 hotels and resorts worldwide. The current geographic distribution in shown below, in Figure 12.

Figure 12 - Global Sheraton´s brand coverage

Source: http://www.hotelnewsnow.com/Articles/28539/Global-brand-maps-for-Marriott-Starwood (consulted on October 6)

In North America operate 216 properties, of which 190 are located across the United States of America. Already Central and South America counts on 31 properties spread by 12 countries. The highest concentration of Sheraton is in Argentina, holding a total of 9 hotels, followed by 7 properties in Brazil. In the Caribbean region there are 1 unit of Sheraton in Dominican Republic and 2 units in Puerto Rico. Middle East sums 16 properties in 8 different countries. In Europe there is a homogeneous distribution of the brand, with a variation between one and four properties per country. Therefore, it can be found 66 hotels in 26 countries. Particularly Portugal counts on 3 properties: Sheraton Cascais Resort, Sheraton Lisboa Hotel & Spa and Sheraton Porto Hotel & Spa. The strong presence in Asia Pacific is credited with the operation of 189 properties in 23 countries. Isolating the brand as the major international hotel brand in China, Sheraton holds 107 properties plus 2 more in Hong Kong and the brand´s biggest hotel in Macau.

4.3. Mission, vision and core values

Sheraton is devoted to go above and beyond to guarantee guests enjoy an incomparable stay. As advertised "At Sheraton we go beyond". All of its associates are compromised to delivering the maximum standards of service, either by means of great gestures or tiny touches. This is the mission statement hold by the brand. Additionally, for the future Sheraton seeks to go further so that its guests live to the fullest.

Ambition, heart and empowerment are the three main core values of Sheraton. Associates are inspired by their guests and have the ambition to make things better. Likewise, they love the functions they play, given all their heart and attention on-property and off. Lastly, derived from a continuum empowerment, each associate has all the freedom to make decisions, take actions and do whatever it takes to deliver a better stay.

4.4. Service Model

Sheraton believes that foundational and memorable service is capable of shape loyalty beyond reason. Foundational service relies on service basics such as respect, be present, empathize and greet and on operational skills because consistence-operating skills certifies that guests can rely on the service delivered by Sheraton, trusting and believing in the brand.

Similarly, memorable service is achieved through differentiation and personalization. Key brand differentiators assist to create unforgettable moments, while personalized details build emotional connections with guests. So being, Sheraton associates work daily respecting and following the four pillars of the service model.

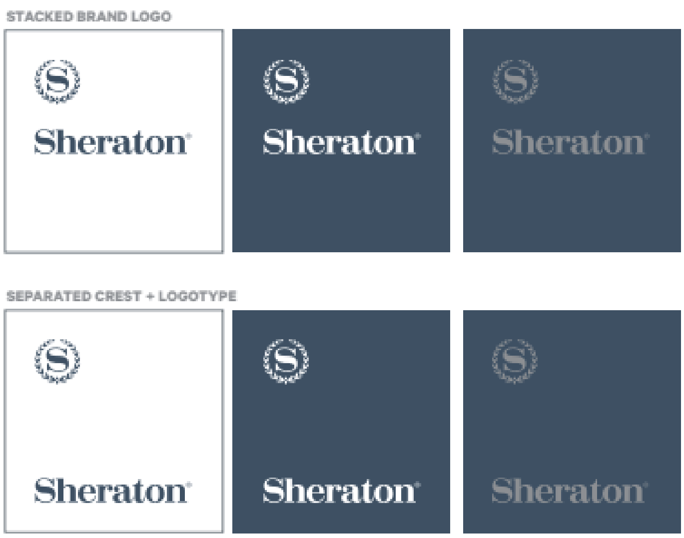
4.5. Logo and signature

The brand´s logo was specifically designed to be instantly recognizable and identified by public eyes. It is a distinctive, clear and strong graphic image composed of two elements: the crest and logotype. All branded unites have three logo sizes – small, medium and large – available to use (Sheraton Style Guide, 2016).

Brand mark must always occupy the largest part of any property logo and the hotel name pops up in small letter below the brand mark. In most cases the Sheraton crest is associated with the Sheraton logotype. However, the crest can be also separated from logotype, in order to accomplish a more editorial look. When separated, the ideal placement of crest is in the upper left-hand corner, with the logotype in the lower left-hand corner.

The logo color system recognizes the color pallet to use in all internal and external brand communications. With white pieces must be used a blueprint blue for both the crest and logotype. Pieces with a blue backgroud can use a knockout white for crest and logotype or a slate grey crest and logotype. Whenever crest is separated from logotype, color usage cannot be mix. Figures 13 ilustrates all Sheraton logo options to be used by hotels and resorts.

Figure 13 - Sheraton Logo Color System



Source: Sheraton style guide

4.6. Color Palette

Although Sheraton has colour, it is not multi-colored, and care should be taken to avoid overuse. All brand communications, both at a corporate level as a hotel level, must only use the approved Sheraton colours – blueprint blue, knockout white or slate grey.

These primary colours are used for backgrounds and text, as they are rich and highlight the luxury, tradition and heritage of Sheraton. For a blueprint blue or a slate grey background, headlines and body copy are often presented in knockout white. A valid secondary alternative for blueprint blue background is to set headlines and body copy in slate grey. Nevertheless, slate grey headlines and body copy can only be used on a white background.

4.7. Lettering and communications

The primary and secondary fonts of Sheraton are Encorpada Sheraton and Calibre, respectively. The lettering can be used in different ways and sizes to best express the luxuriousness of the brand. More than that, the signature element of Sheraton´s simplicity is expressed thru the use of bold, simple headlines set in large Encorpada Sheraton.

The Sheraton voice is striking in its simplicity. Bright and comprehensible, content is pared down to its clearest, most succinct form in a sharp and editorial tone. All communications are done in a smart, clean and confident way.

- Smart – optimistic and perceptive, communications must capture the genuine nature of the brand with a sharp, savvy tone and a hint of wit.
- Clean – each word is chosen in detail as a studied and clean language elevates communications, delivering a sense of purpose and prompting luxury over simplicity.
- Confident – a self-assured and assertive tone coded in strong, eye-catching headlines and concise body copy contribute to the bold capable and quality of the voice.

At every opportunity, each communication must satisfy the guest’s natural curiosity and tell the tale behind Sheraton´s experiences and services.

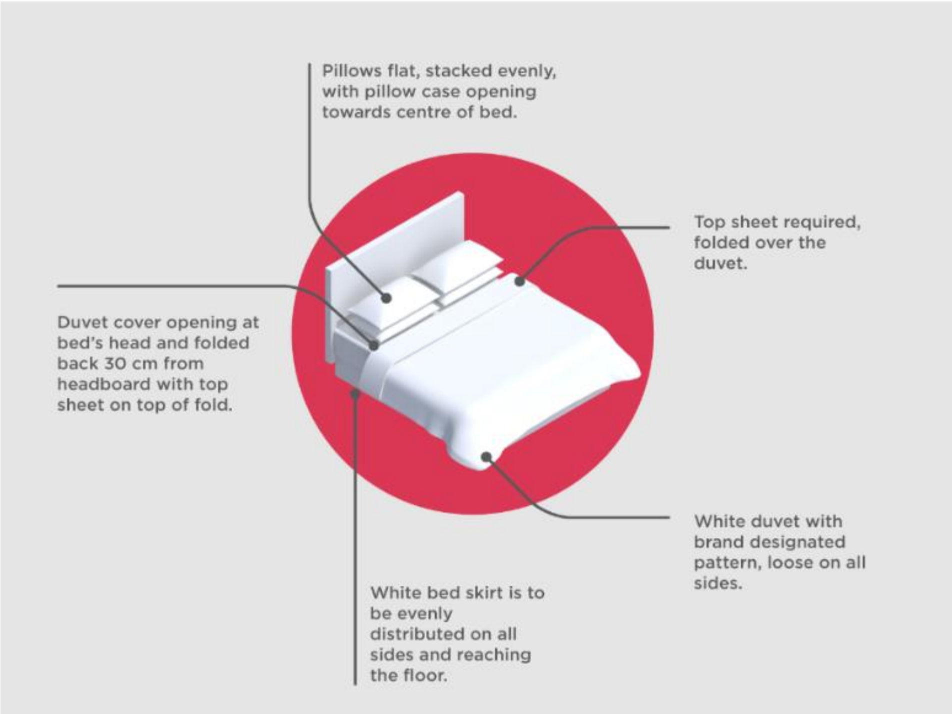
4.7. Compulsory Brand Requirements

All Sheraton hotels and resorts must offer the following services presented during their daily operation. This is a global brand imposition in an attempt to standardize the service provided to guests.

4.7.1. Sheraton Sweet Sleeper Bed

Sheraton sweet sleeper bed is a sumptuous multi-layered custom design bed of, at least, 47 inches with a high coil count Sealy Posturepedic Plush Top mattress and timeless cotton sheets. The final touch of Sheraton´s classic aesthetic is complete with two down stacked on top of two hypoallergenic pillows with signature flange pillowcases. The bed set up must always follow the same pattern, as demonstrated in figure 14.

Figure 14 - Sheraton Bed Set Up



Source: Sheraton Style Guide (2016)

Still the brand-approved bed components must be fully implemented in all rooms.

4.7.2. Link@Sheraton

An innovate concept aiming to offer an adjoining lobby to guests fit to socialize, work and grab a snack simultaneously. It presents three operational sections beyond the traditional front desk – concierge desk, business center and lobby bar.

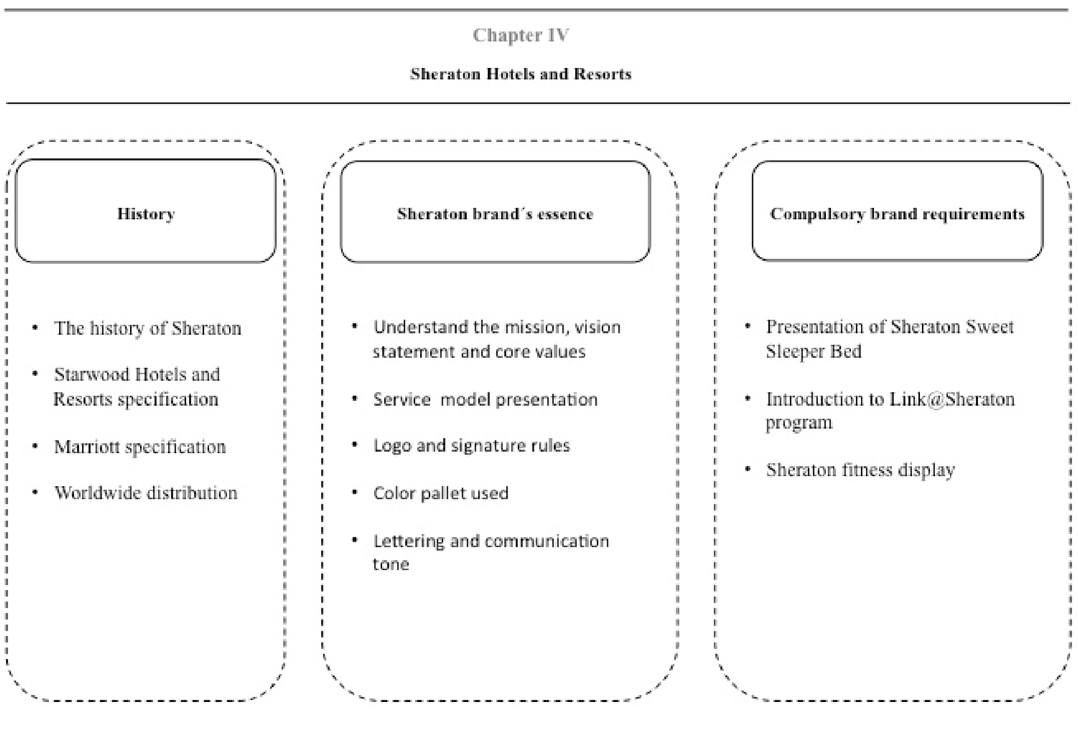
The concierge service must be available 24 hours per day 7 days a week, usually provided via dedicated staff. Also the business center has to be open 24 hours per day 7 days a week, allowing guests to access to, at least, one workstation with high speed internet, office supplies, copying and faxing. Already the lobby bar offers a selection of food paired with a collection of drinks for guests to enjoy while in the hotel lobby.

4.7.3. Sheraton Fitness

An all-inclusive fitness program that embraces fully equipped fitness centers and healthy dining options. The fitness center is accessible for guests 24 hours a day, 7 days a week free of charge. Facilities are equipped with televisions, cardio, strength equipment and stretching equipment.

The scheme presented below, in figure 15, recaps all topics addressed throughout chapter III.

Figure 15 - Structure of Sheraton Hotels and Resorts Chapter



Source: Own Elaboration

CHAPTER V: CASE STUDY – Sheraton Cascais Resort

This chapter aspiration is to present and evaluate the elected case study, interlinked with the literature review chapter as much as possible. It is necessary to explore the property universe before, during and after the change has been made. Therefore, it is firstly studied the backgrounds of the old brand Vivamarinha. Then, it is important to understand the driving forces beyond the implementation of *rebranding*. Consequently, the decisions taken regarding *rebranding* have to be understood too. In this way and, taking into account the internship carried out in the unit, will be able to follow the *rebranding* implementation dynamics in the hotel. It is also wished-for to conclude the chapter with an analysis of the information and results collected, included in an explanatory scheme of *rebranding* inspired by Ahonen´s model.

It is felt the need to clarify two facts before presenting the old Vivamarinha hotel. On the one hand, it is important to note that all information presented in subchapter 2,3 and 4 steams from the interview conducted with the General Manager (GM) and Human Resources Director.

On the other hand, the present *rebranding* implementation case study will focus only on visible and direct impact elements for guests, since are tangible and observable elements. The most intangible component of the change related to the internal process, such as employee retention or motivation, will not be analysed due to the existence of a policy of exclusivity and confidentiality of Sheraton.

5.1. Overview of the old Vivamarinha Hotel

Vivamarinha was a 5-star apartment hotel located in the heart of Quinta da Marinha, the most exclusive area of Cascais. Opened in June of 2007, the unit had a total of 44 studios, 73 T1 apartments and 21 T2 apartments, beyond a restaurant named Glass Terrace, 6 meeting rooms, a spa with a local gym, a swimming pool and private garage.

Vivamarinha had an extensive and embracing mission of honor the area´s quality and prestige in which operated, contributing to a better image of it, both national as international, while creating new jobs, producing wealth and stability and contributing to an improvement in the socio-economic conditions of Cascais. Of all data collected, no vision statement was found. It is a void in the company´s strategy by not having a self-improving ambition of what to achieve or accomplish in the future. Nevertheless, company´s values were existing and clear, grouped into three sectors: quality and professionalism, ethics and honesty and learning and improvement.

As an independent family management hotel, Vivamarinha had a simple and versatile management chart. A GM chosen by the board of directors managed the heads of front desk, F&B, sales, housekeeping, accounting, IT and maintenance. Thus, it was characterized by an unstructured and little professionalized operation. Not necessarily less competent, but with very versatile employees, accustomed to perform various functions. Despite the existence of a GM there was a closer follow-up of the owners, constantly involved in the operation, making decisions and debating management policies directly with him.

5.2. Driving forces behind *rebranding*

In an interview with the hotel´s current GM, Pedro Santos, also GM of the old Vivamarinha, it was able to understand the different drivers that led to the change. The hotel opening in June of 2007 was based on a financial projection of the sale of 50 initial real estate apartments plus a total hotel operation until the end of that year.

As, until then, the real estate market was booming and any new property built in the area was sold in an instant. With this vision, the idea behind the financial projection of Vivamarinha was to sell all the apartments allowing making a large part of the debt repayment to the bank. Therefore, much of the debt would be closed down and the hotel would start generating profit.

However, at the end of 2007 Portugal was caught off guard by a severe economic crisis. The real estate market stagnated and worsened until 2010. Along these lines, the company failed to sell all the apartments nor pay the debt to the bank. With the initial financial projection set aside, the hotel lasted four years not generating enough to pay the bank´s interest. After that time, the owner´s inability to pay the interest caused them to hand over the property to the bank. Through an agreement made with the bank, the resolution of the property sale was given, passing it to a restructuring fund. The restructuring fund titled CS Capital aimed to make the asset recovery, make it financially viable and sell it on the market. In two years, CS Capital invested and repositioned the property and, subsequently, put it on the market. In October of 2015 the current owner, United Investments Portugal (UIP) acquired the unit.

In sum, the pairing of the economic crisis with the timing of the apartments sale, the financial projection not feasible and the lack of alternative means to pay interest to the bank were key drivers that led to the beginning of the need for *rebranding*.

5.3. *Rebranding* decisions taken

From the very beginning it became clear to UIP that it was necessary to change the concept and the hotel´s operation strategy in order to make the product more attractive and financially viable. Thus, UIP sought to gain affiliation of an internationally renowned brand.

5.3.1. Choice of the new brand

In any portfolio of brands there are some that fit more depending on the destination, the product itself or the market breadth. Understandably, the new brand´s choice fell on the owner. UIP opted for Sheraton because it is a recognized brand, a quality identified brand and one of the most highly rated brands of Starwood.

On the other hand, the owner had already used the brand on another property of his, where he had a case of success with Pine Cliffs Algarve. The track record of success on a different property, but with a relatively similar product, has consolidated the choice. Sheraton was, therefore, chosen as synonymous with luxury and quality. From that moment on, the 5-star hotel would start operate under a franchising contract with the global brand Sheraton. And so the new Sheraton Cascais Resort was born.

5.3.2. Property restructuring and redesign planning

After the affiliation contract has been signed, Sheraton carried out an initial audit of the hotel in December of 2015. Posteriorly, it handed over a document, named TEARS, with all the necessary points to be restructured within the property. With a term of four years, TEARS purpose is to elucidate all the works and improvements that have to be done by the property owner until reach the end point where the hotel is compatible with all the safety and quality brand standards. Of all points identified by the audit, those relating to safety had to be the first to be addressed.

In this way, the property owner along with the management team drew up a 2-month priority plan for the most essential transformation where some critical safety features were installed and all materials needed for the hotel operation were ordered. Although the estimated time for a project of this size is usually around 4 to 6 months, the management felt pressured to do it in 2 months, having announced the new opening for the 21st of February of 2016. The critical safety elements to be installed also included implementation of safety procedures, standards, inspections and insurances. Most of the times, these are changes that guests do not even notice. In terms of materials ordered, the team structured the plan in two strands: furniture fixtures and equipment (FF&E) and operation supplies and equipment (OS&E). With all materials specified in a segment of furniture fixture and linen and amenities, the purchase and follow-up of the orders was carried out in an attempt to guarantee all delivery deadlines. Also all the primary brand identification signs in the property would be subject of rectification.

In addition, a more extensive plan was developed to improve the product through more structural interventions. With a starting date scheduled for the beginning of the low season of 2016, this one contained works in the lobby area to improve the arrival experience, the expansion of meeting rooms and works in service areas for service to operate in a better way. Other mandatory brand requirements were considered in the plan as new uniforms, incorporation of communication and brand promotion tools, Link@Sheraton with the construction of a business center and a new F&B outlet. Both plans aim to implement the necessary requirements to reposition the 5-star hotel as a unit of excellence of the global brand of Sheraton.

5.4. Implementation Phase

The internship carried out in the unit between November of 2016 and June of 2017 allowed to study the changes made by the priority plan and as well as to follow the extensive plan´s implementation.

The priority plan was applied between January and the 21st of February of 2016. During this period of time the hotel continued to operate as Vivamarinha, having never closed to the public. Therefore, guests staying at Vivamarinha started to see Sheraton´s logo everywhere and began to feel the changes made to the product. The launch of *rebranding* took place on day 21 of February, with the propriety´s inauguration as Sheraton Cascais Resort. Michael Wale, President for Europe, Africa and Middle East for Starwood Hotels & Resorts Worldwide Inc. attended the event.

5.4.1. Priority Plan

Formerly named Vivamarinha Hotel, the property is now called Sheraton Cascais Resort. Left behind the mission and values of the old brand and incorporated the mission statement, vision and values of Sheraton. The old logo focused on the duality of black white colors has been replaced by one approved by the Sheraton Color System, as in figure 16. The most tones used are blue background with crest and logotype in white and white pieces with blueprint blue.

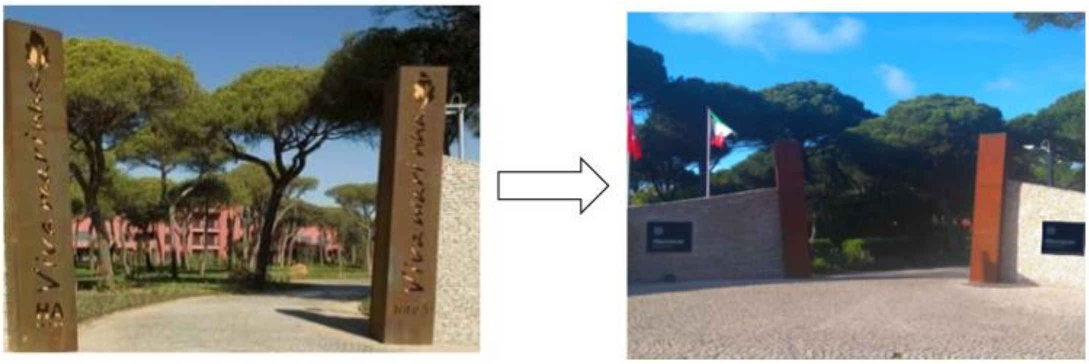
Figure 16 - The old and new logo

Source: Own elaboration

It was identified that the Vivamarinha brand´s slogan was *The hotel apart from anywhere else*. After the *rebranding*, the hotel adquired the global Sheraton slogan " At Sheraton we go beyond, so you can too".

The branded signage and on-property directory were created in accordance to Sheraton´s differentiators and signage standards. The old copper sign of Vivamarinha was replaced by two clean signs framed in the brand's signature directory, as shown in figure 17.

Figure 17 - The old and new outside branded signage



Source: Own elaboration

Additionally, a metallic brand mark was inserted to the lobby entrance well visible to all hotel guests and visitors. Flags of Sheraton were hoisted on the driveway spot for a total identification of the property. All complementary outdoor signaling was added respecting the standards of lettering and color palette of Sheraton. The following images, presented in figure 18, are intended to illustrate the above-mentioned changes.

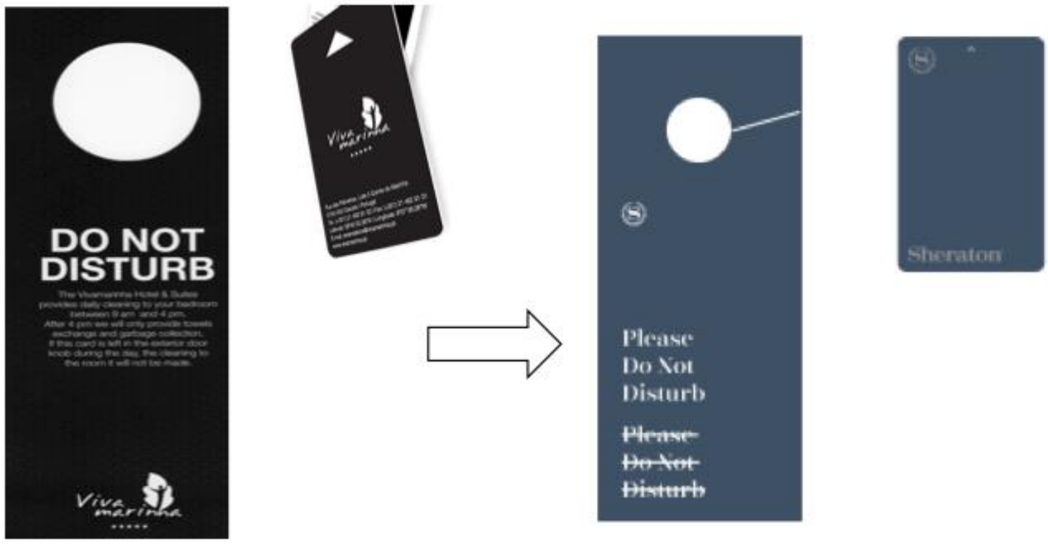
Figure 18 - Examples of outdoor post *rebranding* signaling

Source: Own elaboration

In relation to the front desk all the stationery necessary for a Sheraton´s operation was acquired, such as note cards, pens, envelopes, executive letterheads, business cards with franchise disclaimer and mailing labels. The characteristic sound playlist and the unique scent, common to all Sheraton properties, began to be used. Although it is quite soft, sometimes almost unnoticed, it is a specific essence that calls for brand awareness. Also the preset playlist, linked to the brand's central system, adds a set of ambient songs seeking the same result as the unique scent.

Already guestrooms areas have undergone structural changes in terms of safety and operating requirements. Before *rebranding,* guestrooms’ doors could stand about 30 minutes in case of fire. To meet the safety standards required by the brand all guestroom´s doors were substituted by doors that stand up to 60 minutes. May seem just a detail, since few guests will notice the difference, but it is an essential requirement for the brand as it ensures that safety and quality standards are met. Each window now has a second clasp to prevent their opening by babies or children. In addition, guestrooms acquired cordless beyond corded home phones to respect the Sheraton´s requirement that says that each guestroom must have a minimum of one cordless or two corded phones. All linens and bedding was replaced accordingly to Sheraton sweet sleeper bed program, previously presented in chapter III. New bath amenities involving shampoo, conditioner, body lotion, vanity pack, bathrobe, bath and hand towels were incorporated. In-room collateral formed by “do not disturb” hangers, doorknob breakfast menu, refreshment price list, guest services directory, in-room notepads, pens, keycards, coasters, napkins and crib cards were modified to meet brand guidelines. Some of those examples are illustrated in figure 19 and 20.

Figure 19 - Pre and post *rebranding* in-room collateral



Source: Own elaboration

Figure 20 - Post *rebranding* in-room collateral

Source: Sheraton Style Guide

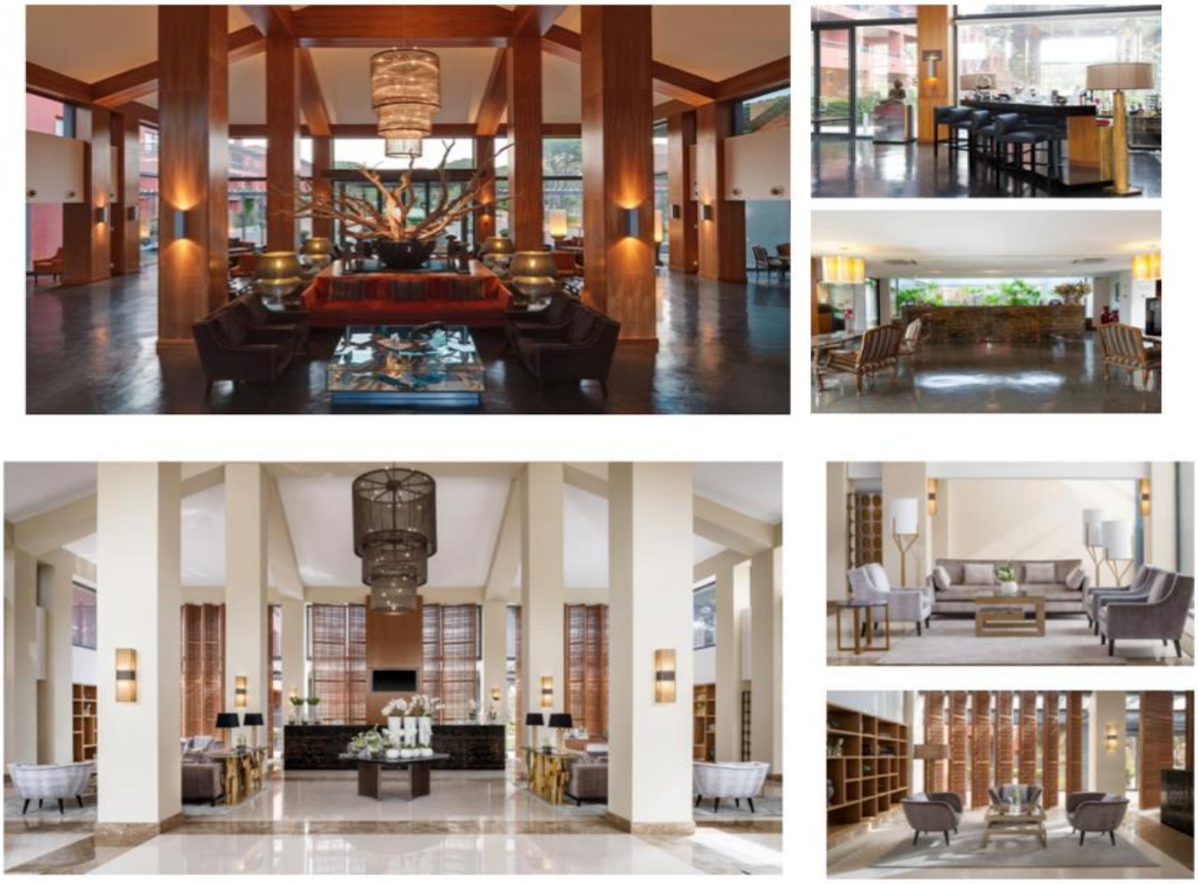
5.4.2. Extensive Plan

More structural decisions such as the front desk 'change in order to improve the arrival experience led to the need to implement a deeper work plan. In this way, after the priority plan has been implemented, the hotel stopped the *rebranding* implementation and focused on operation during the medium and high season, between March and October of 2016. For the GM it was always out of the question to make a structural change in a period with more guests. As such and considering that the hotel is somewhat seasonal, it was decided to schedule this intervention towards the end of October of 2016. Looking at the period with fewer guests, it is known that the intervention has affected the operation performance and even the level of service. However, once the intervention had an obligatory appearance is was found a way to monitoring and managing guests, with some care and compensation, in order to minimize this inconvenience.

The transformation with bigger impact for guests was given in the lobby area. Its architecture and image was completely restructured according to the concept conceived by the Link@Sheraton program, addressed in chapter III.

In the phase prior to *rebranding* the arrival lobby was characterized by a lounge of rustic essence and warm tones, with a detachment of wood contrasting by points of light. Already the front desk was located on the left side of the lounge, sheltered in a complementary zone. There was no concierge desk, so all services were held at front desk. On the other side of it, there was a dark bar ready to serve complimentary drinks to guests. After the *rebranding* works, the lobby has acquired a modern residential aesthetic immersed in natural light, inspired by the beauty found in nature. Marble floors, white halls and simple and considered forms are paired with sculptural accent pieces inspired by biophilic design principles. The front desk was fixed in the center, well visible upon arrival of each guest. On its right there is now a concierge desk, for a more personalized follow-up of guests. Close by there is a business center with two computers of free access and office supplies to be use. Figure 21 exhibits the overhead lobby renovation before and after *rebranding*.

Figure 21 - Lobby before and after the change



Source: Own Elaboration

In line with Link@Sheraton program guidelines, an original lobby bar was built. During its 5-month construction period, an extensive marketing and communications plan was developed to promote the new outlet. The internship held in the marketing department, allowed me to contribute for it. First the concept, name and typology of the outlet were defined, followed by the space decoration, the employees´ uniforms and the menu. Photo sessions were held to record the space and different menu items, evidenced in figure 22 and 23. At the end of the day, all final decisions fell under the GM and UIP.

Kimya is a gastro-bar inspired by the Persian word for chemistry. Evocative of a scientist´s lab, Kimya tends to offer an immersive experience merging gastronomy with the art of mixology. With cocktails offered in beakers, light bites in petri dishes and mixologists in lab coats paying homage to the theme, Kimya is a unique place for guests to enjoy while in the hotel lobby. Within a stylish and contemporary space, the outlet has an independent entrance, right next to the hotel's main door, and an esplanade with tables and sofas lit in tune with the interior ceiling. The official inauguration took place in June of 2017.

Figure 22 - Kimya name, concept and example of menu items

Figure 23 - Space and new lobby bar decor

Source: Own Elaboration

To improve the offer of corporate service, an identifying element of Sheraton, two distinctive boardrooms where created in the left wing of the resort. These were added to the pre-existing meeting rooms portfolio of Vivamarinha. Acqua boardroom has 28m2, a great view over the hotel´s greenish gardens, caring the maximum capacity of 16 people. Paired with it, Fusion boardroom was the second acquisition, also with a maximum capacity of 16 people. Both boardrooms integrated the same biophilic design principles used in the lobby area, as in figure 24.

Figure 24 - Acqua and Fusion Boardrooms

Source: Own Elaboration

Guestrooms areas have undergone new structural changes in terms of safety and operating requirements. This time, the changes were made on guestrooms balconies. As Vivamarinha, guestrooms' balconies had a balcony railing with 15 cm high. To meet the safety standards required by Sheraton, all guestroom´s balconies must have a balcony railing with 20 cm high. Thereby reconstruction works began at the end of 2016 and lasted until the following spring. This change was a time-consuming work with negative visual impact during its reconstruction. It was necessary to break all parapets of the balconies to rebuild them again with the measure approved by the Sheraton. It was a necessary change but, at the end, guests barely notice the transformation of it. However, this may be the difference between a baby and/or a child being able to climb the balcony railing or not. So, in terms of safety, this measure required by the brand makes perfect sense for being implemented.

Staff uniforms were another item defined and implemented by the extensive plan. As an independent hotel, the operational teams did not have properly defined uniforms, common to all employees. While some employees wore a black uniform, others wore white shirt uniforms and black pants. With *rebranding*, a well-defined line of uniforms was implemented to all front desk, spa, Glass Terrace and Kimya teams. After the human resources manager conducted a detailed survey of employees' measures, the uniforms were ordered during March and May, bought and distributed. The diverse uniforms selection respects the brand guidelines respectively in this regard. So, employees wear always the approved uniform with nametags worn on the left.

Lastly, each marketing and promotion content has been recreated and redesign to match all lettering and communications requirements of Sheraton, formerly analyzed in chapter III.

A new portfolio of property photography was created in accordance with the rules of Sheraton photography style guide. The old and dated photographs of Vivamarinha were replaced by natural and authentic compositions portraying the experiences that guests can expect on-property, as shown in figure 25 and 26.

Figure 25 - Selection oh photos used before and after *rebranding*

Source: Own elaboration

Figure 26 - Selection of photos used before and after *rebranding*

Source: Own elaboration

The official website has come to frame the brand´s standard structure by integrating the Sheraton´s global database. Unfortunately, it was not possible to access the old website as it was already disabled when my internship was started. Hence, there is no data on Vivamarinha website in order to compare a pre and post *rebranding* website. Even so, the site has been complemented over time through the incorporation of 360 photographs and new informational tabs on Kimya, spa offers and meetings and events contents.

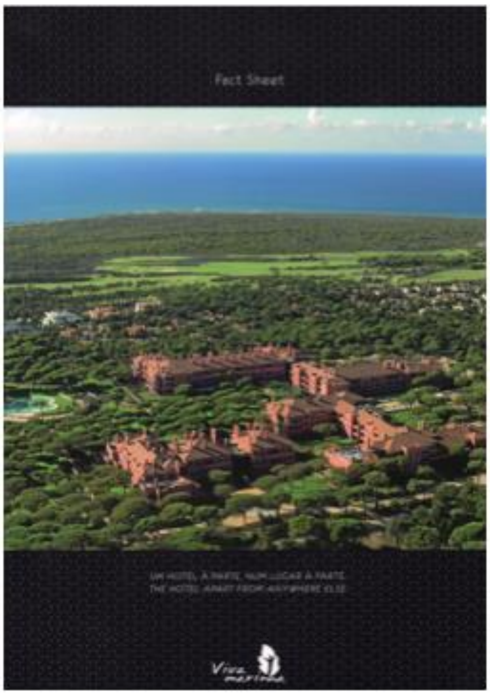
In terms of social media, Vivamarinha only had a median Facebook page and a poor Instagram page, where new posts were created from time to time. There was no defined policy on brand communication and engagement through social media. After *rebranding*, Facebook and Instagram accounts were renamed as Sheraton Cascais Resort. A great bet was placed on the strategy of hotel promotion through communication with the public in social media. Thus, three to four new weekly posts began to be posted promoting the several services offered in the hotel. All posts are now done in a clean and confident way, allowing guest to be engaged by the brand. At the beginning of my internship, the hotel´s Instagram page had just 538 followers.

Already in the end, the same page summed 1384 followers. These results prove the good bet of the use of social media to promote and empower the hotel.

Another built-in element was the creation of a hold the line audio script, followed by its implementation in the telephone system. This action was performed according to Sheraton global brand standards.

All contents of promotion were restructured. In that event, promotional materials have become more modern, cleaner and visually more appealing. Evidences can be found below in image 27.

Figure 27 - Property factsheet before and after *rebranding*



SALAS - CONFIGURAÇÕES E CAPACIDADES | ROOMS - CONFIGURATIONS AND CAPACITIES

Source: Own Elaboration

Facilities

RESTAURANTS & BARS

RECREATIONAL FACILITIES

EVENTS, CONFERENCE AND BUSINESS FACILITIES

AWARDS AND ACCOLADES

ROOMS - CONFIGURATIONS AND CAPACITIES

It is noted that through TEARS report, Sheraton delimited a *rebranding* period of 4 years. Thus, it is likely that more changes can be found since the end of my internship, as it only lasted 6 months. For example, improvements in the gym should me made, all consistent with Sheraton Fitness program guidelines.

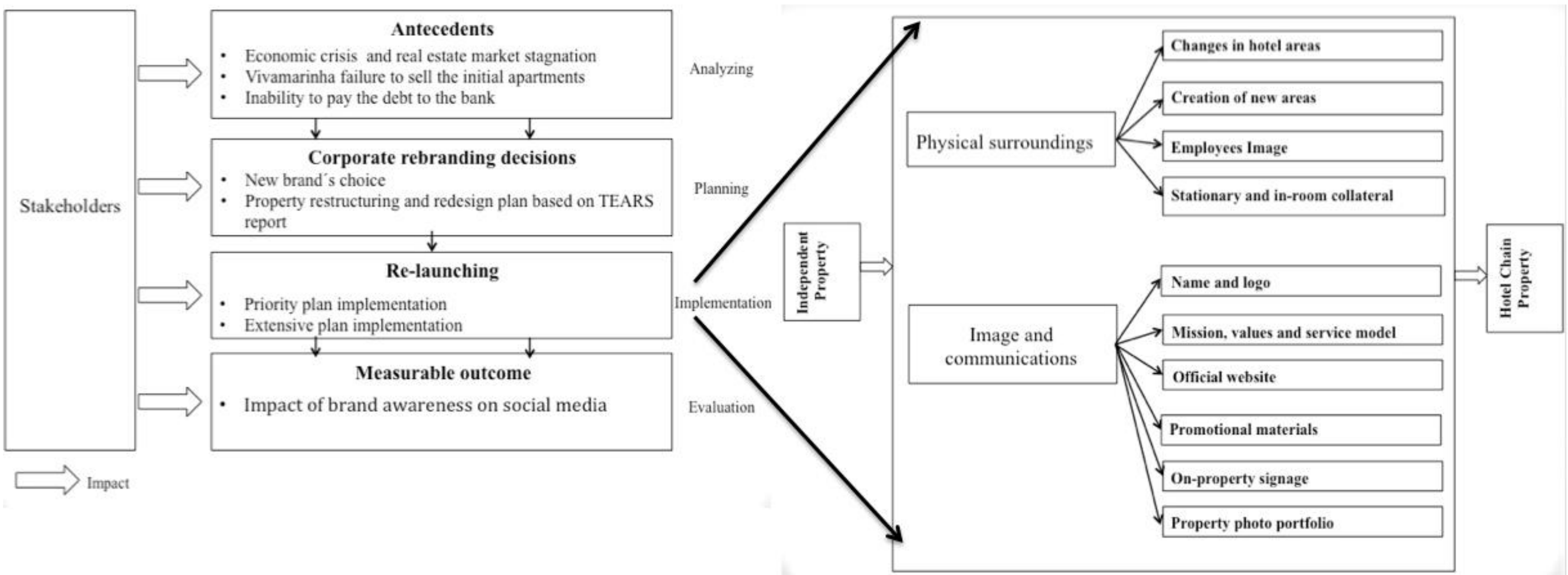
5.4. Results analysis

The *rebranding* process under study replaced the family brand Vivamarinha by one with greater brand equity power. The explicit brand identity of Sheraton expressed in its mission, core values and service model allow it to positively differentiate from others. In this way, the brand Sheraton is a hallmark of quality, a promise of assurance to guests as elucidated by Dev & Withiam (2012) in the literature review chapter.

Considering all the elements associated to the process, it is possible to comprehend that this is an example of revolutionary *rebranding*, at where the entire organization was redefining.

The sequence of events in the case study verifies and supports the models already presented by scientific literature. It is possible to fit the set of events that took place at the hotel to the different phases of Ahonen's model, as evidenced in figure 28.

Figure 28 - Case study explanatory model of *rebranding*



Source: Own elaboration

Through an overview of events can be easily enumerate the antecedent factors to *rebranding*. Thereby the economic crisis that disputed real estate market stagnation along with the hotel´s inability to sell the initial apartments and with the money from that sale pay the debt to the bank, were the key driving forces behind the need for *rebranding*.

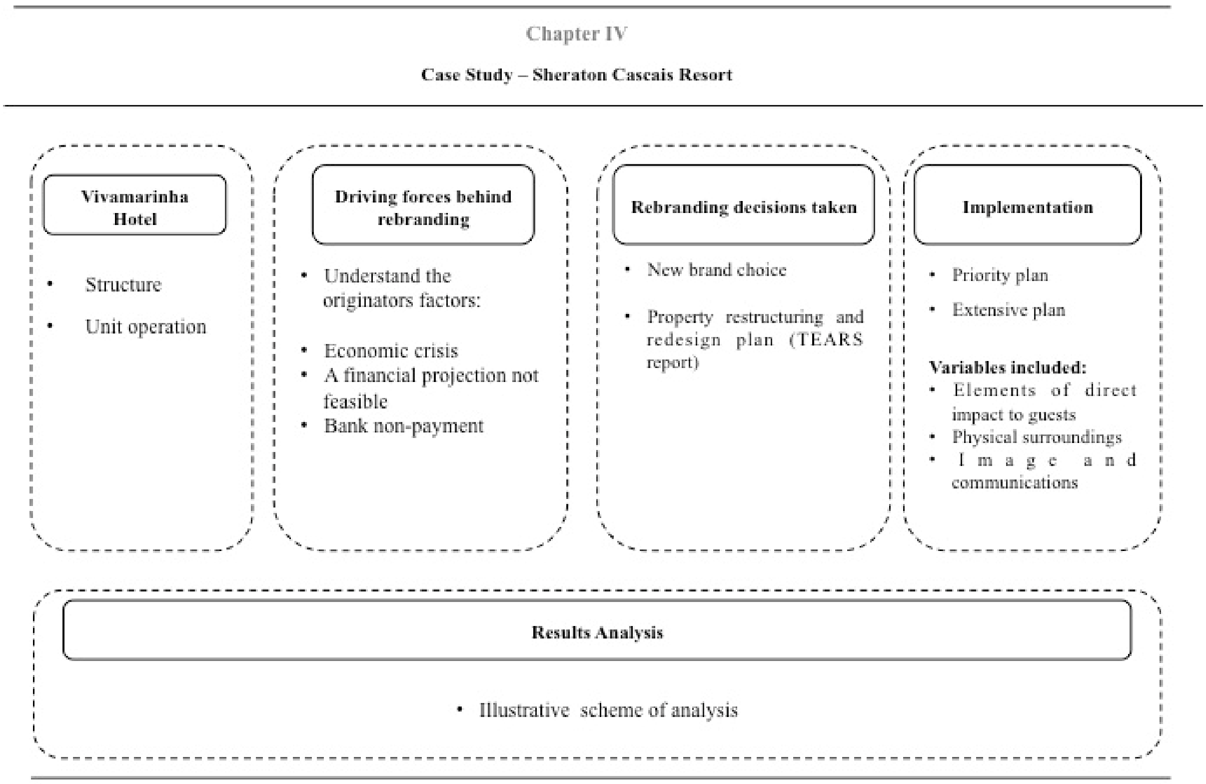
After the new owner has purchased the property, it began to plan the benefits of joining a hotel chain. In this case it is verified that the planning followed the decision-making lines studied by Ivanova & Ivanov (2015), earlier communicated along with literature review. With the choice of a new brand, several decisions of restricting and redesigning were considered.

Then, next to an initial audit by Sheraton, elements listed in the TEARS document have been implemented, through the execution of a priority plan and an extensive plan. Only elements of direct impact to guests were studied. It is understood that the implementation of *rebranding* process also includes elements of more intrinsic nature to service, such as training policy or employee motivation, but which were not analysed here due to the existence of clauses in the privacy and confidentiality policies of Sheraton on these points.

Finally, the process outcome allows evaluating the new brand, resulting from the implementation of *rebranding*. Inevitably the fact that, it was not possible to follow the hotel operation during the last two to three years and from which to extract data, makes it difficult to accurately evaluate the outcome derived from *rebranding*. Having accompanied the hotel at a stage before, during and after the change, it would be possible to study and measure the brand equity and brand awareness of Vivamarinha Hotel and Sheraton Cascais Resort. Through the same evaluation instruments as filling out guest satisfaction questionnaires or studying the comments left on the official websites it would be possible to compare the performance of both and then evaluate the final result of *rebranding*. This represents a path of research to be studied in the future. Only through the data from Instagram page is it possible to verify the impact and the greater value of Sheraton´s brand, with the increase from 538 to 1384 followers in only in 6 months.

In summary, all topics covered in this chapter were approached according to the structure presented below.

Figure 29 - Case Study Sheraton Cascais Resort Chapter



Source: Own elaboration

CHAPTER VI: CONCLUSION, LIMITATION AND FUTURE RESEARCH

The brand concept has been extensively studied since the 60s, having multiple connotations. Despite of typical constituting a name, a symbol, a logo, an identity, deep down a brand must embrace all tangible and intangible attributes of a company (Prasad & Dev, 2000). If a company seeks the purpose of distinguished a new position in the mind of all stakeholders and competitors, will undergo a corporate *rebranding*. Although corporate *rebranding* is a recent and rarely studied area in academic field, two explanatory models of corporate *rebranding* were found. Both models identify two common phases - the analysis of factors and forces that trigger the change and the correct process implementation to create a new brand. Compared to the Muzellec & Lambkin model, the Ahonen model details more sequentially all the steps that will degrade the new brand´s outcome. It has been verified that hotel *rebranding* has intensified, resulting from the appreciation of major chain brands distributed by the global market.

All research conducted throughout the case study was intended to meet the proposed objectives to be achieved. It was first possible to understand that the management of Vivamarinha hotel was centered in a familiar dynamic, characteristic of many independent properties. The director and the owners themselves, who had a daily strategic vision of the operation, managed the very multi-purpose operation team. The brand Vivamarinha was built on solid pillars, but the lack of vision statement was a void in the company´s strategy.

Then it was possible to identify the triggers of *rebranding* in the case study and to relate them to the literature of Keller (2013), Lomax & Mador (2006), Muzellec & Lambkin (2006) and Collange (2015). The main trigger was a modification in ownership structure with the unexpected emergence of a serious economic crisis, resulting in real estate market stagnation and in the incapacity to meet the hotel´s initial projection of sale. Consequently, Vivamarinha owners failed to pay the bank´s interest and the bank toke over the property, having later sold to UIP.

Another objective achieved falls on the new brand choice to rebrand the hotel. The main corporate *rebranding* decision was partially taken by the owner and by the hotel chain. Already accustomed to working with Sheraton in other properties, the owner decided to seek affiliation as Sheraton is a recognized and quality identified brand. After an initial audit was conducted, was the hotel chain that defined the *rebranding* restructuring plan to be followed by the hotel. All requirements and changes to be made have been drafted in a report, named TEARS, and delivered to the GM to implement over four years. During the determined period of time, the hotel chain will follow the change in order to verify the correct implementation of all the characteristic and identifying elements of Sheraton.

The implementation phase of *rebranding* included two distinct moments, previously identified: implementation of a priority plan and implementation of an extensive plan. It is noted that only the component of direct impact to guests was studied in this phase, due to the existence of a confidentiality policy of Sheraton that prevents analyzing and releasing information about the internal process component of service. The first moment required the implementation of all basic identification requirements and standards of Sheraton like the new logo, signage or brand´s stationary. The second moment resulted in more structural changes in the property and of greater impact for guests, as the establishment of Link@Sheraton program, creation of new products and improvement of service. Further research should be conducted in the future in the interest of studying the implementation of *rebranding* in terms of the internal process component.

Through the intercalation of the objectives reached above, it is now possible to achieve the central objective of the entire dissertation. For an independent hotel to gain affiliation from a chain, it will have to be restructured according to the characteristic pillars of the chain's brand. A common similarity was identified between the changes caused by the *rebranding* process at Sheraton Cascais Resort and the different explanatory phases of Muzellec & Lambkin´s model & Ahonen´s model. In this way, the investigation concludes that the correct implementation of *rebranding* in hotels entails four sequential phases. Certain decisive factors of modification in ownership structure, alteration in corporate strategy, change of competitive position or change in external environment have destabilized the correct hotel operation, triggering the need for *rebranding* – antecedents phase. The decisive factor in the case study was a modification in ownership structure. Consequently, a planning phase, in which all fundamental *rebranding* decisions are made, is started. The new brand to rebrand the hotel is chosen and, in this case, the property was affiliated to Sheraton. The plan, as a result of the fundamental *rebranding* decisions made, is applied later in an implementation phase, launching the new brand. This corresponds to the priority plan and to the extensive plan implementation. As most of the change needed to be made is defined by the hotel chain requirements, the structure of this phase may vary from brand to brand. In conclusion, it is now well perceptive how the rebranding implementation process is performed, in pursuance of converting an independent hotel into a hotel chain.

As with all scientific research of this kind, there are limitations to study that should be explicitly noted, and these limitations point to directions for future research In this study the last phase of *rebranding*, named evaluation phase, must involve the change evaluation express on the new brand's outcome, measuring the impact of it. However, little information regarding this phase was analyzed in the case of study, due to the fact that the internship carried at the hotel corresponded only to the implementation phase. So, additional studies should be carried out allowing following the study object at a stage before, during and after *rebranding*, in order to investigate this last phase with greater accuracy.

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APPENDIX

The following interview was conducted to the General Manager of Sheraton Cascais Resort, Pedro Santos, on the 3rd of February of 2017. As contains important data for analysing the case study, it is transcribed below.

Is there any information files about the hotel as an independent property - *Vivamarinha* - *possible to be consulted?*

There is a financial file, as we are obligated to keep these documents for at least 10 years. If you pretend to have information related to sales, marketing and the design you can talk to our Sales Director – Oliver – or our IT Manager – David Pinto.

Specifically to service standards, is there any information files?

There was, for example, a welcome document given to new employees, some documentation that should be on our internal network, in the HR segment, and that our IT Manager should be able to have access. But there wasn´t that much, the hotel had no SOP´s like the ones we have today as Sheraton.

In terms of management and administration, what are the major differences between the family management of Vivamarinha to the current one?

The management approach is totally different, and we did not only pass thru a private family unit to a chain. In between we were taken by an investment recovery fund, which was also a process, a more professional one, but not the same as a chain. The family structures are very common in Portugal, there are many hotel units owned by families, and therefore are less professional. This does not mean that are less or more competent in some fields, but are less professional. Under a family structure, people are more versatile, perform more functions, while in a hotel chain things are much more structured and segmented, and therefore more professional. People are well identified, each one knows its function and there are procedures to follow. The main differences in a family management it has to do with the understanding of one´s own family. If the family comprehend that they hired specialised professionals, and give them or not space to work. It is very often to have owners or other family members, who despite not being trained or specialized in the area, what to have an active voice in decisions making. They own the hotel and, of course they want to make decisions, what to manage the propriety and get very involved with things that sometimes make a lot of sense and things that sometimes make little sense.

And as Vivamarinha, did this happen often?

Yes, of course. Not only as Vivamarinha but it happens in all properties with a more familiar basis. Specifically, in this case there was a closer monitoring by the owners, and therefore, sometimes there was a more micro and less macro strategic vision. This means that the owners are more involved in the daily operation and discuss topics of it. Within a chain management, employees know better their functions, service and operation standards and, therefore, make that separation. On the other hand, an independent hotel has some qualities that a hotel chain doesn't have. In an independent hotel, the product is entirely from the owners, so it means that they are much more passionate people, who are much closer, who want to know and follow the problems and solve the situations. They are people who are involved in the operation and therefore are very close. This is good in the sense that sometimes it is necessary to make an investment, a change, etc. As they are people in loco can realize this and quickly make decisions and intervene. While often handy in a superior chain management there is a lot of protocol and things end up creep a lot. For example, if we have to make a change. These changes sometimes take a lot of time because we have to follow several steps, various procedures and go for approval, and one more approval. The thing is not so fast and insightful. But on the one hand it guarantees that the procedures are followed, that no mistakes are made because the procedures are in place, but it is very little known. These are, thus, the main advantages and disadvantages of a more familiar or less familiar management. Of course, it will depend on the know-how and specificity of the family involved. Fortunately, Vivamarinha even had an administration with a lot of know-how, with owners very related to numbers. With this, in the financial part they were able to make a good follow-up. Maybe they did not have such a good know-how of the operational part but they turned to the market to go get more specialized people in these areas. And, therefore, there was an understanding in that matter.

However, there are families and families. There are families who think they understand everything. And there they make management a little harder and less profitable.

How did the property change? Did the family decide to sell the property? What happen?

No, not exactly. The hotel opened in June of 2007. This means that the hotel open exactly in the period in which a serious economic crisis occurred. Therefore the hotel opened in June of 2007 and, I believe, there was a period in which there was a financial projection as we had a hotel and 50 apartments. So, what the owners at that time thought was that it would be possible to sell quickly all apartments for at a good average price. The problem was that from 2007 this situation stopped. And so we had in economic crisis in 2008, 2009, 2010 in which many companies had huge financial difficulties. Therefore, who took out a loan and did not have a planning for such a situation, unfortunately were many. Today is easy to look back and talk, but at that time estate market was growing and booming. All new buildings, especially located in Quinta da Marinha, were sold in a blink of an eye. Within this vision the initial idea has to sell all 50 apartments and make a large part of the debt repayment to the bank. A large part of the debt was paid and then the hotel was able to operate. Unfortunately, the economic crisis settled in the country, the apartments were not sold, the debt stayed in the bank and, in turn, it was not possible to pay the interests. What the hotel generated was not enough to pay interest on the investment made and, it was possible to handle the situation during two, three, four years and then the bank took over the hotel. An agreement was made between the previously owners and the bank which resulted in the property sale resolution, which went to a restructuring fund. The purpose of these funds is to restructure the company, make it financially viable and sell it to the market. In this particular case, CS Capital restructuring fund did a great job. In two years, took care of the hotel, invested what had to invest to get repositioning the property in the market. And in two years, which is a record taking into account the property itself and the size of it, was able to put it on the market and sell it. This is where we have the current owner, who made the purchase, and to improve and reposition the product to the level of quality and excellence it wants, decides to bring a new international brand, which is Sheraton. In sum, we have a route here where the family who owned the hotel did not decide to sell it but felt obligated to sell it. It is even a sad that the few private ones in

Portugal that have the financial capacity to carry out projects like this, that are not successful projects. As can be seen timing in life is very important and in this case the timing was really wrong, something that cannot be controlled and, therefore, the project did not go well for them.

In this case the new owner brought the brand Sheraton to the hotel. Why did the owner choose Sheraton instead of another brand within Starwood portfolio?

Right. Within the Starwood portfolio or, in any other chain, there are brands that fit most depends on the destination, on the region, whether or not it leaves us. Why? Because there is a contract that does not allow to have a big number of brands within the same area. This is the starting point. Also Sheraton is a well-known brand, associated to quality, and one of the most prestige brands of Starwood. The new owner, UIP, already used the same brand in Algarve, where had a case of success with Pine Cliffts of Sheraton. Therefore, all of this success, within a property that even fits, into a different region, but in terms of product is relatively similar, everything that Pine Cliffts is, is what we want to achieve here, having a product of quality and pure luxury. As it said, a winning team should not be changed. So if the model worked well at Pine Cliffts, we intend to bring the same the model to Sheraton Cascais Resort, and with the same brand do an identical work of excellence.

Is there any plan in terms of standards and changes to be implemented? I know that right now the lobby is under construction. These are the changes that I infer that are scheduled in advance, right?

Yes, there is. Since the moment in which Sheraton´s agreement of affiliation was signed, we have in our possession a document, named TEARS, with a lifetime period of 4 years. This means that our property, during these 4 years, will undergo several works until the moment we know that it is compatible with all the standards of quality and safety of Sheraton. An audit is first performed by the brand in which it checks, and the first changes to be made are those of security. All the first changes that we made, and that many times, people do not even notice or see, were those related to security. Because many of them have to do with security procedures, with standards, with inspections, with insurance, ensure that there are a number of procedures that are met.

Like the balconies that we are currently rectifying simply because the gap that exists in the balconies is superior to what the brand predicts. Then we enter the rooms and make all the major alterations in terms of bedding, linen and amenities. All elements are distributed over a period of four years, a timeline well defined with Sheraton. We had to change all guestrooms doors in order to guarantee the level of safety in the event of a fire. The doors that we had lasted for about 30 minutes and now we have doors that last 60 minutes. It may seem just a detail, nobody will notice if the door has 10 cm more or not, but for Sheraton it is essential as it ensures that quality and safety standards are met. . Behind these points that I am enumerating, I can say that there are more than 100, there are lots of elements like a second lock on windows to prevent children from open it, the need to have two phones and some cordless in guestrooms, among others.

At what point did the initial audit take place?

The initial audit took place in December of 2015 and then the changes were made in 2 months, which was outrageous. Between January and February, already with some beginning in December, all the priority changes were made. Much of this initial transformation has much to do with setting priorities. The first thing we have to guarantee is that because such a transformation is never done in 2 months, it usually takes at least 4 to 6 months. So the initial concern was to order everything, amenities and linen.

We separate this into FF&E and SO&E. We divided the material into these two large blocks, ordered everything and had to make sure everything would arrive in time. We arranged to make sure that at the end of these 2 months we would open the hotel. At the time, we have stated the opening date for the 21st of February. I can tell that was the first time that Sheraton managed to make a transformation in just 2 months.

Therefore, it was a case of success?

A case of success, but very hard and the brand itself is aware.

During those 2 months, did the hotel close? Or was it still open?

No, the property never closed. It was still operating as Vivamarinha. The change was only made on the 21st of February. Although guests were staying at Vivamarinha, they already saw the new brand of Sheraton all over the place. The official change only occurred on the 21st, where the VP of Starwood – Michael Wale – was present and from that day it was inaugurated as Sheraton Cascais Resort.

Regarding the physical part of the remodelling works, why did you decide to do those as a Sheraton hotel? And how have you been dealing this situation with guests?

If we could have done, beyond all opening works, we would have done it. The two months before the opening also had interventions. If we had six more months for the opening, we would have contained more interventions before this, but this did not happen. The hotel is a somewhat seasonal, which meant that we had to made interventions in the low season period. Once the decision was made in December, we had only January and February, since from March we began to have higher occupancy rates. We prefer to guarantee that those works and nuisance are made in a period with fewer guests than later, because it will have a greater impact on guests and a financial impact as well. Obviously we intervened in that period, and then we stopped and operated during the middle and high season. When we return to the period of less demand, we return to do the interventions we wanted. This means that this winter is the best moment to do it. The only way to improve our product is to make these interventions and updates. There are updates that are easy and do not require major works such as anything that is replacement equipment, for example, in terms of bedding. The FF&E is relatively easier, but all that are more structural decisions as in the case of changing the front desk because we want to improve the arrival experience, to create a business desk, a signature bar, that the whole service itself operates in a better way, it requires more structural changes. And so we would never make a structural change in a period with more guests. We look at the period with less guests, we know that this will always affect some performance on our part and sometimes even the level of service we would like to give the guests, but since this intervention has to be done there is also a way of monitoring and managing guests, with some care and compensation, in order to minimize this inconvenience.

I have realized that the element of Lobby Bar must be present in any Sheraton in the world. Are there more physical elements that are brand requirements?

Yes, there are several. In our case it made perfect sense to have a bar, as it is characteristic of any 5-star hotel. Those who purchase the Sheraton brand have a perspective of a specific type of service, of equal well being in all units. Sheraton has gone beyond and in addition to giving procedures and ideas for accommodation it also does so to F&B. It has indications of mixtures of unlikely flavours and dishes that exists throughout the entire network. This type of programs that the brand has, aims to ensure a greater degree of compliance of all units. It is always difficult when we move from a hotel in Asia to another in Europe, or in the United States, because of cultural differences. But I bet when you get to the bar, badly or well the programs will be there. We must ensure that the client has a standardization of programs available. And that gives the brand a criterion in the sense that the guest knows that when he gets there he will have it in any part of the world. And there are guests who love this standardization and others who do not. A customer goes to China, does not know the country, does not know how things work, but knows that he arrives and that at that Sheraton hotel will have his hamburger like in any other property of Sheraton. You know that you will have certain amenities, a certain bed and a certain service. And this is what, for those who travel a lot, gives them a certain security in being able to stay in a hotel chain because it gives them guarantees that they will get there and will have a certain service. One of the hallmarks of Sheraton is the lobby perfume. We have a machine with a specific smell and we only use that aroma in question. The ambient music is also characteristic, linked to the same central system of the brand. All these elements in all brands are thought, the smell, sound, therefore it is not only what is more obvious. Each Starwood brand has a distinctive scent, maybe a few brands that will smell stronger and noticeably, the Sheraton's is quite soft, going sometimes unnoticed, but we have a specific essence for our lobby.

How such information and standards are communicated to the hotels?

In the list that I told you about the things we have to do and to change there is, for example, the sound system, the smell, the signage. It comes out described and therefore is one of those points that we know we have to meet and make the necessary changes. We have an internal platform that has all the brand standards. These, over time, also undergo changes so it is necessary to ensure that all Sheraton units make the changes that the brand wants at the same time. This is a complex procedure. It's like saying that tomorrow we want to make sure that every Sheraton has this new image in the gym. How can you ensure that this occurs? There is an online tool where all changes are communicated together with a timeline to be followed. The deadline ensures that by the date in question the change must be made. Then there are inspections that will ensure that the changes have been made. Otherwise, they will be detected during the inspection. Every three months, updates are made to the brand's standards system. It means that this constant updating is a dynamic process. This question suggests that the unit itself before making a high-value investment, such as changing the rooms' televisions, should check the platform to see if any changes are planned for the televisions. For example, the signage that we have at the hotel was in the process of being approved for release. We were the first hotel in the world to have the new Sheraton signage. Because by the time we started to change the signage point, Sheraton informed us that they would change it.