Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
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Brand Strategy: Company X

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Abstract

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The subject of this thesis was to study current situation of Company X's brand in the local and international market and determine the reasons of their success, and why consumers prefer exactly this brand. The study's main research questions were: how did Company X become the famous recognized brand and how should Company X maintain and develop its brand to continue as a strong competitor in the market?

The Company X brand analysis and brand strategy theories were used to guide and underpin the objectives' achievement. Qualitative method of research was more suitable for analyzing and defining why people from different segments choose the hotels of Company X and what kind of actions help Company X to be a leading competitor in the market.

During the research period, ten questionnaires were sent (seven of them were responded). The desk research and questionnaires, finally, showed why the company was successful and progressive on the domestic and international markets.

At the end of the thesis a conclusion was made which showed the main tools of Company X; criteria why customers choose exactly that brand instead of others; and how the company will improve its brand strategy.

Keywords: brand, hotel brand strategy, brand environment, brand equity, brand loyalty, international market

Table of contents

Abstract ... 2
1 Introduction ... 4
1.1 Background of the study ... 4
1.2 Objectives and delimitations ... 4
1.3 Research questions ... 5
2 The sociocultural meaning of brands ... 5
2.1 What is a brand? ... 6
2.2 Types of brands ... 7
2.3 Influence of factors on brand choice ... 8
2.3.1 Consumer behavior ... 8
2.3.2 Emotional brand associations ... 10
2.3.3 Advertising and symbolic meaning of the brand ... 10
2.4 Brands, trust and fragmentation ... 11
3 Brand equity and brand building ... 11
3.1 Defining brand equity ... 12
3.2 Brand mix ... 14
3.3 Brands through marketing communication ... 14
4 Brand Strategy ... 18
4.1 Brand strategy definition and its importance ... 19
4.2 Elements of brand strategy ... 20
4.3 Strategies and brand portfolio ... 21
4.3.1 Unique brand strategy ... 21
4.3.2 Corporate brand strategy ... 22
4.3.3 Line extension strategy ... 22
4.3.4 Blend brand strategy ... 22
4.3.5 Brand portfolio strategy ... 23
5 Case company ... 23
5.1 Company background and its success ... 24
5.2 Research methods ... 25
5.3 Equity and innovations of Company X ... 26
5.4 Brand flexibility and competitiveness ... 27
5.4.1 Hotel portfolio ... 28
5.4.2 Brands ... 29
5.4.3 Strengths for developing and main development objectives ... 31
5.4.4 Sales team ... 33
5.4.5 Sustainability policy ... 33
5.5 Consumers' choice ... 35
5.6 Tools of Company X ... 36
5.6.1 Customer segmentation and geographical exposure ... 36
5.6.2 Company X distribution model and systems ... 37
5.6.3 Company X in social media ... 39
6 Conclusion and result ... 40
References ... 43
Figures ... 45
Tables ... 45
APPENDIX 1 ...

1 Introduction

1.1 Background of the study

Nowadays it is almost impossible to have a successful business or create your own company without strong and successful brand strategy, and especially for the hospitality industry, brand portfolio strategy is more suitable. In a modern life, brand recognition is one of the most important things for customers' choice, and also for future development and success of the company.

Today the largest and most developed areas are spheres of hospitality, tourism and management administration. Company X represents one of the most famous brands in the hospitality environment nowadays. Furthermore, Company X brand represents a strong competitor through urban and resort hotels in the local and international markets.

The thesis considers the theoretical concepts of sociocultural meaning of brands, brand equity and brand building, brand strategy including unique, corporate, line extension, blend brand and brand portfolio strategies. In addition, empirical part of the thesis covers background of Company X, hotel portfolio, sales, distribution channels, social media and sustainability policy, and the result of main research questions. The whole thesis is written in cooperation with the company and their employees.

1.2 Objectives and delimitations

The main objective of this research is to study the current situation of the Company X brand in the local and international markets, to identify the reason of their success and to show the company's inner operations, and customers' preferences of this brand among another famous brands.

Finding the information, gathering it and comparing different brand strategies are done to describe the whole picture of the brand itself and to find the most appropriate one specially for the case company. Gathering the needed information from the respondents through questionnaires caused some problems, because there was not direct contact with respondents. All the received infor-

mation was got in a distance. It is hard to estimate the exact percentage of answers. In the theoretical part there are not many obstacles but it can take some time to compare and find the best options, which are similar to the Company X strategy. The empirical part will cover the brand strategy of Company X based on provided information and answers from the company. That helps to show the whole picture of the Company X strategy, and as a result, its success and progress on the domestic and international markets. Therefore, the study provides up-to-date and valid information.

1.3 Research questions

There are two main research questions:

- How did the Company X become a famous recognized brand?
- How should Company X maintain and develop its brand to continue as a strong competitor in the market?

To answer these main questions, two sub-questions, which helped to find answers, have been drawn:

- What kind of actions still help them to be a leading competitor in the market?
- Why do people from different segments (tourists, businessmen or famous people) choose the Company X hotels?

2 The sociocultural meaning of brands

This chapter will cover the main aspects of sociocultural meaning and the environment of brand such as consumer behavior, emotion and consumer choice, symbolic meanings, trust and fragmentation. Brands can get a symbolic meaning in different ways, but one of the most potent sources is advertising, particularly through narrative and the construction of socially shared meanings, according to Richard Rosenbaum-Elliott, Larry Percy and Simon Pervan (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 59). Symbolic consumption of brands helps to establish and communicate basic cultural catego-

ries such as social status, age and gender. Brand meaning and recognition are important for companies to succeed and be profitable in the market.

2.1 What is a brand?

In modern society brands take a major role entering to all spheres of life: economic, social, cultural and even religion. As one of the leading symbol of our economies and postmodern society, brands should be analyzed through different perspectives such as macroeconomics, microeconomics, sociology, psychology, anthropology, history, semiotics and philosophy. (Jean-Noël Kapferer 2008, p. 146) Brands can deeply affect on consumers by involvement in the socialization process of growing up, and from then brands can induce deep feeling of nostalgia and make to feel comfort from uncertainty. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 4.) According to the web business dictionary the brand is defined as “unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Over time, this image becomes associated with a level of credibility, quality, and satisfaction in the consumer's mind”. But there are different definitions of brand and global brand, for example, Nigel Hollis – chief global analyst in Milward brown – defines global brand as one that exceeds its cultural origins to develop strong and trustful relationships with consumers across different countries and cultures (Nigel Hollis 2008, p. 25). Another definition of brand offered by Terence A. Shimp in his book “Integrated Marketing Communication in Advertising and Promotion” is as follows “brand is a company’s particular offering of a product, service, or other consumption object. Brands represent the focus of marcom efforts”. In MBA Knowledge Center the concept of brand is quoted by Philip Kotler as “a name, term, sign, 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 competitors” (Terence A.Shimp 2010, p. 34).

In building brand value ‘perception is more important than reality’ (Duncan and Moriarty, 1988). The brand influences people is perceptions transforming the experience of an existing product (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 4). Since brand is a name, which has an impact on the

market, it should increase power that people will recognize it, are convinced by it, and trust it.

After understanding the importance of the brand in the business comes the next step in the branding process – brand management. Brand management is focused on obtaining power, by making the brand concept more famous, more bought, and more shared (Jean-Noël Kapferer 2008, p. 9). Strategic brand management involves the design and implementation of marketing programs and activities to build, measure, and manage brand equity. Brand equity will be explained in more details later in Chapter 3 “Brand Equity and brand building”.

2.2 Types of brands

Nowadays, there are different types and classifications of brands, for example one of the classifications can include brands as individual products, product ranges, services, organizations, person, individuals etc. But, also, another classification can include brand types as museum brands, political brands, non-profit brands or destination brands etc. It is impossible to imagine any kind of product or company without a brand, though the service type of brands is more common for the topic of the thesis and later it will be used as only this particular brand type in the thesis.

A service is another form from other types of brands as companies move from manufacturing products to delivering complete solutions and intangible services. Service brands are differentiating by customers’ need to maintain a consistently high level of service delivery. There are different kinds of service brands:

- Classic service brands such as airlines, hotels, car rentals, and banks;
- Pure service providers such as member associations;
- Professional service brands such as advisors of all kinds of accountancy, management, consultancy;
- Agents such as travel agents and estate agents;
- Retail brands such as supermarkets, fashion stores, and restaurants.

Identification and putting specific brands in order is rather a complex issue, because there are a lot of different brands and its classifications in modern socie-

ty. Every day “appears and dies” one or another type of brand. Brands help people to make decisions or choices; choice among various financial institutions, political parties, leisure offers, and so on, and this variety of choice are increasing all the time. (McGraw-Hill 2010, p. 1)

2.3 Influence of factors on brand choice

There are different numbers of factors or reasons that influence consumer buying decisions. Personal, psychological, demographic, and social concerns of the consumer aspects are rooted historically in the decision making concept. There are numerous factors to buy a certain brand in a given situation, e.g. consumer behavior, emotional brand associations or advertising and symbolic meaning of the brand.

2.3.1 Consumer behavior

To understand better a consumer’s choice of certain brand or product, it is necessary to define the concept of consumer behavior. According to web business dictionary it is a “process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants”.

Figure 1 shows the classical model of a consumer’s decision-making process through a sequence of psychological states and series of action before reaching a choice decision.

Figure 1. Classical model of consumer choice (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 6)

In the first step a buyer recognizes and analyzes what product or need he/she needs. Then when the product fits consumers' needs, the customer searches for information, which may involve an internal/external research to make a decision about it. External search and actual shopping vary. The third stage covers the choosing process between brands using evaluative criteria or decision rules, i.e. comparison of competitive alternatives. Consumers also use tangible and less tangible attributes. In particular, the price and brand name belong to tangible attributes and the indicators of quality – less tangible ones. Under the decision rule is understood "the strategy that is used to deal with the information available and arrive at a choice". They can be divided into compensatory and non-compensatory rules. The first group allows poor performance on one attribute to be offset by good performance on another. Non-compensatory rules are strategies in which consumers use one single standard and eliminate those alternatives which do not measure up to it. Based on the above mentioned stages the purchase phase comes next. The more time consumer has for thinking, the more opportunity exists for unexpected factors to change the original intention. Rather often the consumer is choice depends on the consumer's emotional behavior. In some purchases no specific intention is formed, only general intention to purchase exists. The same principle applies to brand selection. After the purchase is done, comes satisfaction/dissatisfaction with the product/brand is reached. The consumer experiences dissatisfaction in the case of his/her high

expectations and the product's low performance. But the customer feels satisfaction if his/her expectations are low and the product performance is also low or high. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 5-10.)

2.3.2 Emotional brand associations

Consumers have emotional associations with brands that have grown out of their experiences with them, and they are linked in memory to those brands. When the consumer thinks about a brand, he/she will be drawing from the memory not only benefits or features, but also emotional 'feelings' about the brand. Measuring the emotions toward a certain brand provides the information how the brand is perceived by a number of people.

Positive emotional memories never come across the negative ones. As a result, the emotional significance of a brand will influence how much attention is paid to it, and how much someone will elaborate upon its significance. So, it means that certain emotional associations with specific brands determine what information is available for recall when making brand choice decisions. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 36-37.)

Some brands have strong positive feelings, some of them not, and that switching process is rather easy, if the market segment is narrow.

2.3.3 Advertising and symbolic meaning of the brand

Advertising and social media are recognized as one of the most important sources of valued symbolic meanings, as a guideline of the consumer's existence. On the other hand, the consumer is a guideline to advertising creativity. Advertising is understood as "both a means to transfer or create meanings into culture and a cultural product itself". The relationship between advertising and consumer is dialectical: advertisements are constructed on the knowledge of the consumers, and consumers perceive ads based on their experience, and symbolic meanings derived from their cultures.

2.4 Brands, trust and fragmentation

Nowadays, fragmentation is one of the postmodern experience features and issues that big companies face. When one original budget needs to be split into different products of the brand; it poses an acute problem for the 'product brands'. Investopedia defines fragmentation, as "association with globalization, as companies seek to use suppliers who are the most cost-effective, even if those companies are located abroad". But according to Business Dictionary, fragmentation is "a market situation without any dominant group of buyers or sellers, where many buyers are chased by many suppliers and vice versa. Such situations lead to market upheavals (shakeouts) resulting in demise of the inefficient or smaller ones and emergence of a few dominant ones".

The volumes of each brand make it possible to justify a sufficient advertising budget to give the brand visibility and to release sales. With the fragmentation of the market, and therefore volumes, the brand no longer has access to the major media, which facilitated to building its success. In time, many brands, despite being well known, no longer have an advertising budget anywhere near large enough. (Jean-Noël Kapferer 2008, p. 13.)

Brands offer sequence in an ever-changing world and this acknowledgment is a vital element in their added value. As in human social relationships, consistency develops over time and it increases on predictability, next dependability, and finally, trust and recognition in the brand is created. At first, trust in a brand appears from delivery of consistent benefits over time, which implements behavioral signification by practical experience of using the brand. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 57.)

3 Brand equity and brand building

The previous chapter introduced the sociocultural meaning of brand in general; describing definition of the brand; showing classical model of customers' decision-making process; explaining various forms of perception and how it is affected on consumers' choice among different brands and companies. This chapter is about brand equity, its definition and importance for the company

brand strategy; another important issue is marketing communication, and how it affects consumer decision-making; and last subchapter is measuring brand performance and equity.

3.1 Defining brand equity

The reason that companies pay so much attention to brand equity, during mergers and acquisitions among companies with well-known or not well-known brands, is the central construct in the strategic management of brands. To sum it up, according to Terence A. Shimp, brand equity is defined as "the value in a brand resulting from high brand-name awareness and strong, favorable, and perhaps unique associations that consumers have in memory about a particular brand". (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 89.) According to Terence A. Shimp the concept of brand equity can be considered both from the perspective of the organization that owns a brand and from the customer's point of view because it is affected on brand success. (Terence A. Shimp 2010, p. 34.)

Only the firm-based perspective on brand equity will be covered in the thesis. The firm-based viewpoint of brand equity focuses on outcomes extending from efforts to increase a brand's value to its various stakeholders. As the value, or equity, of a brand increases, various positive outcomes result, these include achieving a higher market share, increasing brand loyalty, being able to charge premium prices, and earning a revenue premium. Two first outcomes come from the point when higher-equity brands acquire high and strong levels of consumers' loyalty and achieve higher market shares. The third outcome means that the brand elasticity of demand becomes less elastic as their equity increases; so, it means brands with more equity can charge higher prices than brands with less equity. The last outcome, earning a revenue premium, is understood as an especially interesting result of achieving higher levels of brand equity. (Terence A. Shimp 2010, p. 35.)

A synthetic model of brand equity and relationships between functional and symbolic brands are presented in Figure 2.

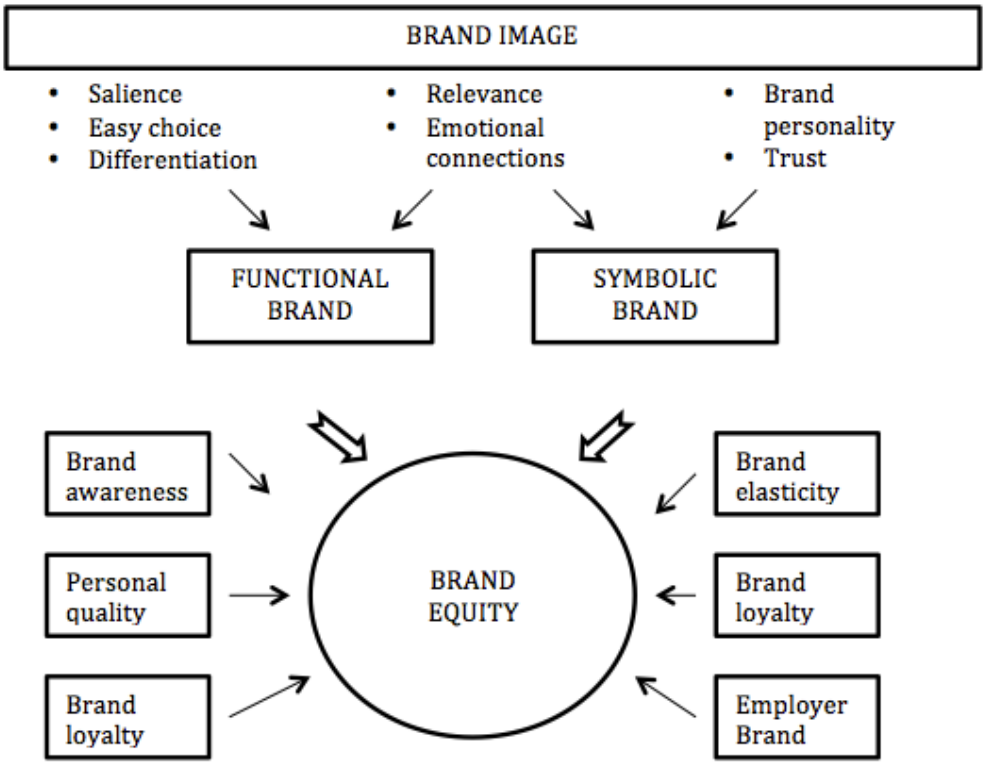


Figure 2. A synthetic model of brand equity (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 102)

As it is shown in Figure 2, at the top of the figure there are the main numbers of the considerations that are included in making up a brand 'image', and how these are related to functional and symbolic brands. The importance and relevance of a brand, and the beliefs associated with it are necessary for differentiating it from other brands which are tending to a brand's image. These factors are especially important to functional brands' branch. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 101-102.)

Such factors, as brand awareness, personal quality, brand loyalty, brand elasticity and employer brand, are also important to symbolic brands, especially for building a consumer's trust for a brand. In this case relevance will reflect the feeling that brand is personally appropriate. Especially for symbolic brands emotional consideration and approval are more important; meanwhile it is a crucial part of the image for all brands. For both functional and symbolic brands the image of brand will affect on management strategy, which means a reflection of brand equity.

Many other aspects of brand can also reflect the equity brand: brand awareness, product quality, brand loyalty, brand elasticity, and employer brand. Brand awareness is very important to brand equity, which can be used as an indicator of brand equity strength. Product quality will notify brand equity, as well as price tolerance and elasticity. Brand equity has a direct relation and influence to brand loyalty. Brands with strong equity can lead to known 'employer brands', where the fact that a brand has a strong positive equity helps to attract and retain employees. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 93-101.)

3.2 Brand mix

There is no precise explanation or definition for brand mix is not existed. But MBA School describes this process as: "*to introduce new products in market, a seller can use an existing brand to do the same. This is known as brand extension. The new product could be from the same product category as currently served by the brand. Such a brand extension is known as a line extension. The new product launched can also be launched in a different product category as well, and this is known as category extension. The brand line of a particular brand would consist of all the products under the brand, be it original or category or line extensions. Now, the set of all these brand lines offered by the seller would constitute the brand mix".*

3.3 Brands through marketing communication

A strong positive brand follows from effective marketing communication (marcom). Without marcom there is no brand. Marcom is a critical aspect of companies' overall marketing missions and a major determination of successes and failures. (Terence A. Shimp 2010, p. 7.)

Brands and marcom are usually used in terms of advertising, or correctly advertising-like messages that built awareness for a brand and contribute to positive attitude toward the brand (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 109). The primary forms of marcom include traditional mass media advertising (TV, magazines, etc.), online advertising (Web sites, opt-in e-mail messages, text messaging, etc.), sales promotion (samples, coupons, re-

bates, premium items, etc.), store signage and point-of-purchase communications; direct-mail literature, public relations and publicity release, sponsorships of events and causes, presentations by salespeople, and various collateral forms of communication devices. (Terence A. Shimp 2010, p. 7.)

A brand provides information, and the information comes from or throughout marcom. It reflects to brand attitude. "The attitude you hold towards a brand reflects everything you know about a particular product and what it means to you". (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 111.) That is why companies implement integrated marcoms programs. IMC (Integrated Marketing Communication) is understood as "a goal worth pursuing because using multiple communication tools in conjunction with one another can produce greater results than tools used individually and in an uncoordinated fashion". Such successful programs for companies build strong brands. But many of them still suffer from poorly integrated marcoms program. A positive brand attitude leads to brand equity, e.g. product quality and price level, and gives an added value to a product in the consumer's mind. Successful marcom requires building relationship between their customers, i.e. an enduring link between a brand and its customer. The most popular form of this relation is the use of loyalty programs. Another one is creating brand experiences to make positive and lasting impressions. Marcom should not simply influence brand awareness or enhance consumer attitudes toward the brand. It encourages some forms of behavioral response. That means to move people to action. (Terence A. Shimp 2010, pp. 9-13.)

The consumer wants to be in control, it means that marcom must be consumer-centric. The digital world allows consumers to seek information about products and services that they want. Nowadays, consumers not only passively receive marcom messages, they are actively involved in creating them. Nowadays, traditional mass media advertising is not always the most effective or cost-efficient avenue for accomplishing the needs of the companies brands. In fact, the role of TV in marcom budgeting is reduced because TV advertising is not as effective or cost-efficient as it ones was, because of the rapid increase of digital media. Still the share of Internet, mobile marketing and social marketing in the

communication market is rather low. But in spite of the fact that technology is changing, the fundamental principles of communication are not changing. The fastest growing type of online advertising is increasing because of greater size of the Internet and the correspondingly larger number of visitors to Internet sites. (Terence A. Shimp 2010, pp. 12-13.)

A professional marketing communicator realizes that some tools are more appropriate for particular purposes than others. He/she selects the best tools to build strong brands. Marketing communicators use all forms of touch points, or contacts, as potential message delivery channels to reach target customers and present the brand in a favorable light. To purchasing a new brand, consumers generally must be made aware of the brand and its benefits and be influenced to have a favorable attitude toward it. It refers to brand positioning. (Terence A. Shimp 2008, p. 14.)

There are two basic types of positioning: central and differentiated positioning. A central position brand must deliver all the main benefits associated with the brand category, in other words, the brand may be described as the "best brand in the category". Such brands are category leaders. Differential positioning is a situation where one looks for an important benefit that consumers believe the brand offers. In this case the correct positioning strategy is very important. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 112)

Brand positioning can also be understood as a ‘supercommunication’ effect which tells to consumers what kind of brand it is, for whom it is, and what it offers. This effect represents the relationship between brand positioning and two core communication effects of brand awareness and brand attitude. Brand awareness and brand attitude are objectives for a brand’s marcom. Figure 3 presents a general model of brand positioning. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 112-113.)

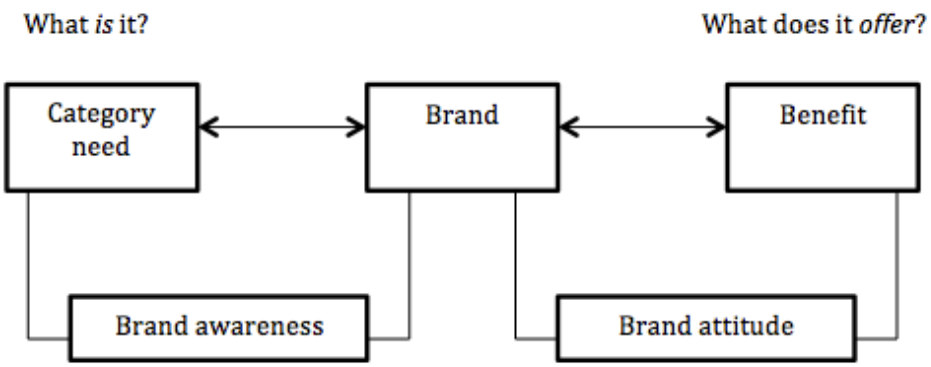


Figure 3. General model of brand positioning (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 113)

This figure shows that first question, 'what is it?' reflects the link that consumers want to establish in memory between brand and the need, and what brand awareness is all about. Strong brand awareness should be generated and sustained with marcom. The second question, 'what does it offer?' refers to the link that customers want to establish in memory between the brand and its primary benefit, which in the future will optimize the probability of building a strong, positive brand attitude. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 113.)

Also, a brand positioning statement can be divided into the brand meaning and distinctiveness and competitive brand in the brand category. Positioning and targeting decisions go hand in hand: positioning decisions are made with respect to intended targets, and targeting decisions are based on a clear idea of how brands are to be positioned and distinguished from competitive offerings. (Terence A. Shimp 2010, p. 22.)

Measuring brand performance and the effectiveness of the brand marcom are shown in tracking study methodologies. Brand performance is measured by three tracking methodologies: panel, wave and continuous. Panel tracking involves viewing the same people each time in each successful wave. The disadvantage of this methodology is that panels are very expensive and difficult to maintain. During the wave tracking separate samples are interviewed each time, but it does not permit processing to be linked to communication effects. And the last methodology uses small random samples of consumers from the target audience that are interviewed daily or weekly. Continuous tracking pre-

sents a compromise between two first methodologies. It is rather casual and variable. It does not require long performance from the manager because results are available continuously.

Brand awareness takes crucial points for new products. That is why while launching a new brand into the market, it is critical that the awareness of the brand is tracked. New low-involve products have to generate trial quickly in order to reach preout to sustain marketing budget. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, pp. 142-143.)

4 Brand Strategy

Branding or brand strategy is more thoughtful than just a name or brand logo, which is recognized all over the world. Customers use brands as resources for the symbolic building of the self, both for social identity and self-identity. The symbolic expenditure of brands can help to communicate and build relationship with the basic cultural categories such as status, gender, age, and main vital cultural values such as family, tradition, and authenticity. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 57.)

Products are mute, and the brand gives meaning and value to them, and shows how product should be read. On one hand, brands guide the customers' perception for different products differently. On the other hand, products send back a signal that brands build their identity. (Jean-Noël Kapferer 2008, pp. 42-43) In order to get the right overall meaning of the brands, the mediated meaning obtained from advertising and promotion should be negotiated with vital purchase experience and its usage. Especially for brands with social-symbolic positioning strategies these meanings should be analyzed through discursive elaboration in a social scope. But brands can also be used to counter some of the threats to the self-posed by postmodernity, such as fragmentation, loss of meaning, and loss of individuality. (Richard Rosenbaum-Elliott, Larry Percy & Simon Pervan 2011, p. 57.)

4.1 Brand strategy definition and its importance

Over the past twenty-five years, a brand flag becomes a necessary element of forming a hotel development business. The hotel industry has firmly embraced and accepted the value of branding as an essential component of its marketing strategy, especially given extensive for hotel brand segmentation. (John W. O'Neill & Anna S. Mattila 2010, p. 27.)

Brand strategy is one of the most replete areas of marketing, though, one of the most important. The key point of branding is that it is impossible to have a strategy without a clear objective. Federico Belloni describes branding as "a strategy of defining, building and managing the brands' portfolio", while Business Dictionary defines brand portfolio as follows "the total collection of trademarks that a company applies to its products or services. Each make or brand within a business' brand portfolio might be registered under applicable trademark laws and can represent a valuable asset to a company that is often actively promoted to potential customers". Brand strategy achieves its goals when companies are able to define and support their distinctive and core competencies to provide the expected experience the customers have. The main goal of branding strategy can be achieved by a correct understanding of the product features and allocating them to one or more brands. (Federico Belloni 2009, pp.1-2.)

Small Business Encyclopedia defined the brand strategy as "brand strategy is how, what, where, when and to whom you plan on communicating and delivering your brand messages. Where you advertise is part of your brand strategy. Your distribution channels are also part of your brand strategy. And what you communicate visually and verbally is part of your brand strategy".

The importance of brand strategy for the hotel industry is really high in its/their business tools. Branding allows companies having their own core business to focus on other economic sectors to enter into the hotel market by using their brand power. (Federico Belloni 2009, p.7.)

4.2 Elements of brand strategy

Brands strategy consists of different elements. One company decides for their strategy one element, another chooses other criteria. But there are three main elements of brand strategy that have great impact on future business successes and profits, and are used in all companies.

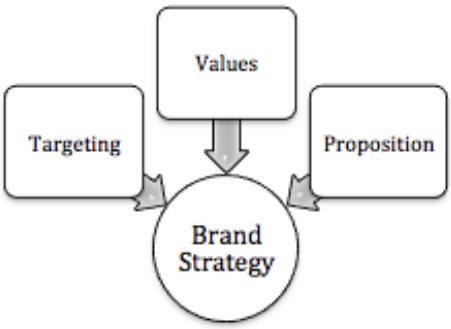


Figure 4. Elements of brand strategy

The first element of brand strategy is **targeting**. In the best way how to choose target customers or a group for the brand, a company needs to answer to several questions such as “Which customers or groups of customers are important to the market?”, “What factors are important to the company’s brand?” and “How can the company get more customers or do more business with each of them?”. Nowadays analyzing what types of customers deliver the most value and as a result more profit to the company is crucial. That is not necessarily the largest number of the brand's customers - in fact it rarely is. The key strategic choice for the company is targeting the most valuable customers to keep them and the infrequent customers to make them more brand loyal, or trying to gain and find new customers. All those targeting objectives are important for building a strong brand, but the intensity may vary depending on the lifecycle of the brand. (Brand Strategy, The Charted institute of Marketing 2003, pp.9-10.)

The second essential element is **values**. Consumers buy and use brands because their values match the brands' value. To keep brands more unique, latest, relevant and at the forefront of customers' minds, it is necessary to have strong links between core brand values and positive customer experiences. Core brand values are differentiated from those of their competitors and can be

expressed in a small number of words, and positive customer experiences are the fulfillment of the brand promises. (Brand Strategy, The Charted institute of Marketing 2003, p.10.)

The third element in the scheme is **proposition**. It means what kind of communication tools the company chooses to tell about the brand to the domestic or international markets and various stakeholders in the same business industries. This communication involves more than just the physical product or advertising. All the intangible communication of the brand, its customer service, availability, pricing policy have a relation to how the overall brand proposition is viewed by customers. In other words, proposition shows the expression of values of the brand through everything that the brand says and does. Although the proposal may change during the lifetime of the brand, the actual values should remain constant. (Brand Strategy, The Charted institute of Marketing 2003, p.11.)

4.3 Strategies and brand portfolio

There are as many different branding strategies as companies in the world. The strategy is unique to a particular organization or company. The most common of them are unique brand strategy, corporate brand strategy, line extension strategy and blend brand strategy. Brand portfolio strategy is especially important for the hotel industry.

4.3.1 Unique brand strategy

Unique brand strategy targets on developing a unique/individual brand around different products or services available. This strategy is more suitable for companies that offer several different products or product lines. It allows brand to maintain a positive image even if one brand is not so successful in the market. Examples of unique or individual branding strategy can be Coca-Cola Co. and Bacardi Mixers, both of these companies have their own unique brand names but marketed by Coca-Cola Co. Also, some of the automobile companies prefer this kind of strategy, e.g. General Motors uses the individual car lines of Chevy or Cadillac.

4.3.2 Corporate brand strategy

Corporate brand strategy unites all products and services under one main brand. This branding strategy is suitable for a company that already has developed a reputation. The reputation applies to all products or services within the company's offerings, but one element of bad reputation can be enough to put the whole brand image under the risk. There are a lot of different companies that use corporate brand strategy, for example Microsoft, Intel, Singapore Airlines, Disney and CNN.

4.3.3 Line extension strategy

This type of brand strategy takes the best of both previous strategies, and is commonly used by companies with constant additions of new products. In line extension strategy, a company uses and provides different brands for all its products. However, new products are sometimes branded under existing products as extensions. Line extension strategy can be based on color, flavors, ingredients, forms, some services and aspects. The most famous brands that use this strategy are Coca-Cola diet, Colgate for kids, Bisleri – mineral water, LG etc.

4.3.4 Blend brand strategy

With the blend brand strategy is understood that some companies do not apply only one strategy in their business. Some of the most successful brand strategies use elements from all these major archetypes. Consider leveraging the power of a corporate branding strategy while still maintaining individually-branded product lines. There are famous world companies which use multi-brand strategy such as Proctor & Gamble (P&G), L'Oreal, Volkswagen and Pfizer. Such brands as Ariel, Gillette, Olay and Pringles belong to P&G company; Garnier, Lancôme, Maybelline, La Roche-Posay - to L'Oreal; Audi, Bentley, Bugatti and Lamborghini belong to the Volkswagen group and Celebrez, Norvac, Viagra are related to the Pfizer organization.

4.3.5 Brand portfolio strategy

The brand portfolio strategy specifies on the structure of the brand portfolio and the scope, roles, and interrelationships of the portfolio brands. The main goals are to create synergy, leverage, clarity within the portfolio and relevant, differentiated, and energized brands. (David W. Cravens & Nigel F. Piercy 2012.) Brand portfolio strategy is the result of specifying the roles and relationships of the company brands to one another to ensure they are clearly positioned and marketed to the company's target audiences. Creating effective brand portfolio strategies is one of the most difficult and critical challenges that today's executives face. As it was mentioned before, brand portfolio strategy is more specific for the hotel industry; the best example is the Hilton brand. In addition to the Hilton Hotels and Resorts, the company also owns numerous other business entities, which are all grouped under the brand portfolio name Hilton Worldwide. Another good example can be PepsiCo. PepsiCo is the brand portfolio name of several food and beverage companies, e.g. Frito Lay, Tropicana and Quacker.

5 Case company

Company X has already been in the market for more than 50 years. Due to a wide range of brands, which Company X can present, Company X's brand is a leader in the hospitality industry. Every guest chooses the brand and hotel which matches to his/her demands and expectations. And this is the point when customers make their decision to choose Company X group of hotels or another service provider one. The case company believes that a rational vision of location, facilities, service, price, and quality are the main criteria for guests' choice. The best way to develop a brand is to understand the market and its changes. It is necessary to take into account all aspects of the company's strategy such as segmentation, sustainability policies, loyalty, and distribution channels.

Experience-based personality of hotels of the Company X brand allow them to do their business all over the world; in both urban and resort destinations. Company X presumes that not only a customer chooses the hotel, but the hotel also chooses its customers, according to its orientation. As Company X thinks about itself, it offers more than a place to stay, it is a place to be. For Company X's

brand it is important to make their customers feel individual and special, that they are persons.

5.1 Company background and its success

Company X was founded in 1956 in Palma de Mallorca, Spain, by Gabriel Escarrer. Its history Company X started in the 50s when the first resort in Mallorca under the name Hotel Altair was opened. During next ten years Balearic Islands was developed and company continued to grow. During the 70's, Gabriel Escarrer extended his business into other major Spanish resorts. Not more than in the next ten years, the company appeared in the main Spanish cities through the acquisition of Hotasa, CHM and Meliã Hoteles. In the same period of time, in 1985, the first international hotel in Bali was opened. In the 90's development in Latin America began and the Paradisus Resorts brand was born. In 1996 the Sol Meliã became the first European hotel company to be quoted on the Stock Exchange. In 2000s the company finished setting up its current brand portfolio with the acquisition of the chain TRYP (2000), the creation of Club Meliã (2004), the launch of the ME by Meliã brand (2006), the acquisition of the Innside chain (2007) and the re-launch of the Gran Meliã brand (2008). All of the above were in addition to the already existing brands: Sol, Meliã and Paradisus. In 2010 the company signed a global partnership with Wyndham, creating TRYP by Wyndham. In 2011 the company changed its corporate branding, becoming Company X. It signed two important partnerships, with Jin Jiang and Greenland Group, to boost its growth in China.

So during the long period, Company X has been involved in several merger and acquisition operations with other hotel companies, allowing the company to grow at a startling rate. This evolution and the strategic focus on international growth has lead Company X to be the first Spanish hotel company with their positioning in key markets such as China, the Middle East, or the USA, as well as maintaining its leadership in traditional markets such as Europe, Latin America or the Caribbean. Also during these years Company X has learned how to combine the needs of its proprietors and investors in a common strategy for growth. The fundamental values of Company X have always included commit-

ment to the environment, sharing local culture, and contributing to cultural integration and society.

Today, Company X is the largest hotel group not only in Spain, but also in Latin America and the Caribbean. It currently provides more than 350 hotels in 35 countries on four continents under its brands: Gran Meliã Hotels & Resorts, ME by Meliã, Paradisus Resorts, Meliã Hotels & Resorts, INNSIDE by Meliã, Tryp by Wyndham, Sol Hotels.

According to Company X Expansion of 2013 and Hotels Magazine, Company X market cap is 1,308 million euros; main shareholders are Escarrer Family (64.4%) and free-float (35,36%); listed on the Spanish Stock Exchange since 1996 and a member of the FTSE4Good Ibex index since 2008.

5.2 Research methods

To conduct the main research questions and, finally, to get the right results it is necessary to learn the main aspects of brand environment and management, what kind of strategies exist nowadays and what helps companies stay in the international market and to be strong competitors among the huge number of various brands. A qualitative method of research is suitable for the topic of the thesis.

The theoretical part of the thesis includes academic literature related to brand management, branding and strategies, secondary, experts' published papers, surveys about the same issue. Web-sources take essential part of this thesis because of the availability of the huge amount of knowledge in this field.

Empirical part, i.e. the Case company chapter, is constructed according to official information and a survey from Company X and its employees. Furthermore, official website of Company X is one of the main sources for research. This website allows to get up-to-date background and history of the brand, their management aspects, sustainability policy, main customers, brand portfolio and so on. Nevertheless, communication with managers and the supervisor of the Company X of the thesis brought an invaluable knowledge and facts about the company and its brand. A questionnaire was sent to the company (Appendix 1),

to the employees who work in Marketing, Sales and Human Resource departments, and more than ten replies to conduct main research questions were gotten back.

Finally, the result of the research should show why Company X's brand is one of the strongest competitors in the local and international market nowadays, and how employees of Company X comment their success and future development.

5.3 Equity and innovations of Company X

One of the integral parts of Company X strategy is development and innovations. During the research was made questionnaire for the company's employees was made. The employees have worked for this company from six months up to more than 12 years. Analyzing the results, it is possible to come to the conclusion that the employees' training will help the company to develop and grow in future. More investment in innovations and cooperation with client can have a valuable and profitable result in future.

Company X contributes to the sustainable development of the communities in which it operates. The company has selected its own sustainability strategy to act as the main pillar of its business. It spans the entire value chain in order to meet the expectations of its stakeholders. Figure 5 below shows how Company X cooperates with all parts of communities where the company is involved.

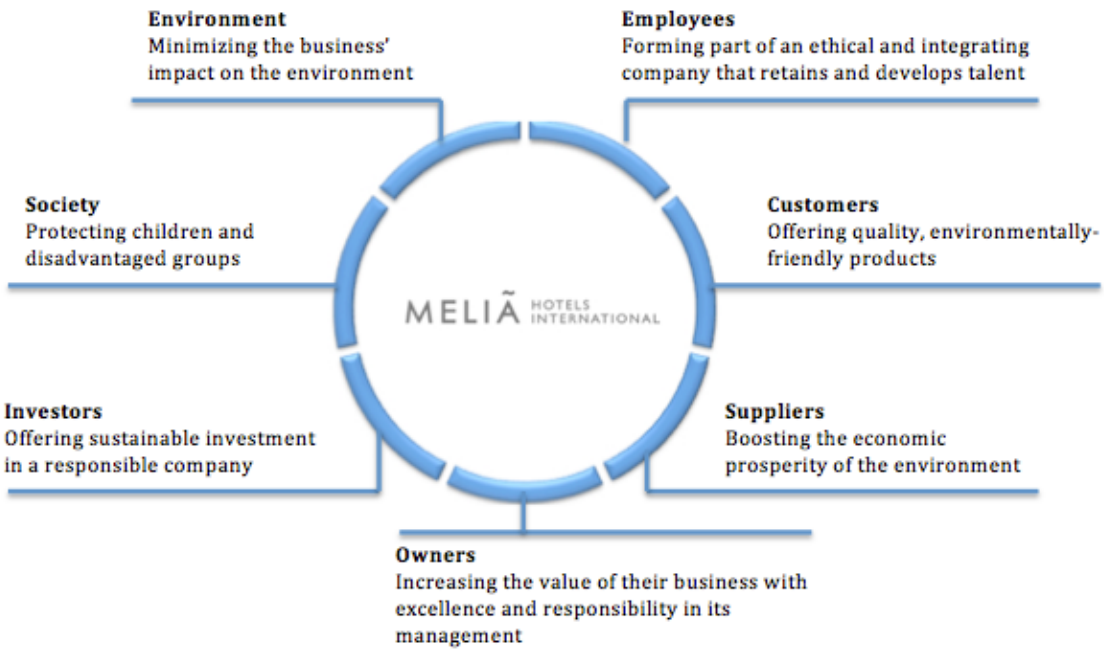


Figure 5. Value chain integration (Company X Expansion New 2013, p. 4)

Good incorporation of sustainability has led Company X to find new ways to cooperate with suppliers and proprietors, and also with customers, employees and society in general. Sustainability has been built into the company's value chain in the following spheres of activity: sustainable construction, operations, energy & water efficiency – save project, employees, guest stay and health cuisine. (Company X Expansion 2013, p. 4.)

5.4 Brand flexibility and competitiveness

Company X is very strong competitor in the domestic and international markets. According to interviews with employees and received responses, it has been possible to identify the main points why the company's brand is flexible for all changes and still in the list of top hotels in the world. It has been mentioned above that Company X operates more than 350 hotels worldwide during more than 50 years in the market, and there are very consolidated and differentiated brands across all over the world. Company X brands keep changing according to the needs of the customers and the market. There is a various number of criteria, e.g. hotel portfolio, strengths for development and future hotel openings, strong sales team which operates in different parts of the world and, of course, sustainable police inside the company.

5.4.1 Hotel portfolio

Company X is:

- the world's largest resort hotel company in the world;
- the 19th-largest hotel company in the world;
- the 3rd-largest hotel company in Europe;
- the largest hotel company in Spain.

Company X Group can offer a comprehensive service based on excellence, quality and good service through its portfolio of solid, consistent brands which can offer to their guests both unique experiences and generate clear value for hotel proprietors to optimize their investment.

Company X is a friendly, accessible company where employees provide a personalized service to investors and promoters to define the hotel product which fits better to each project. Company X offers the necessary services - from the most basic conceptualization of the design, through to the definition of operational, commercial and sales strategy - to position the asset at the most profitable end of the scale.

The strategy of Company X is closely linked with the chain's development model, using formulas which are low in capital intensity: mainly management and rental.

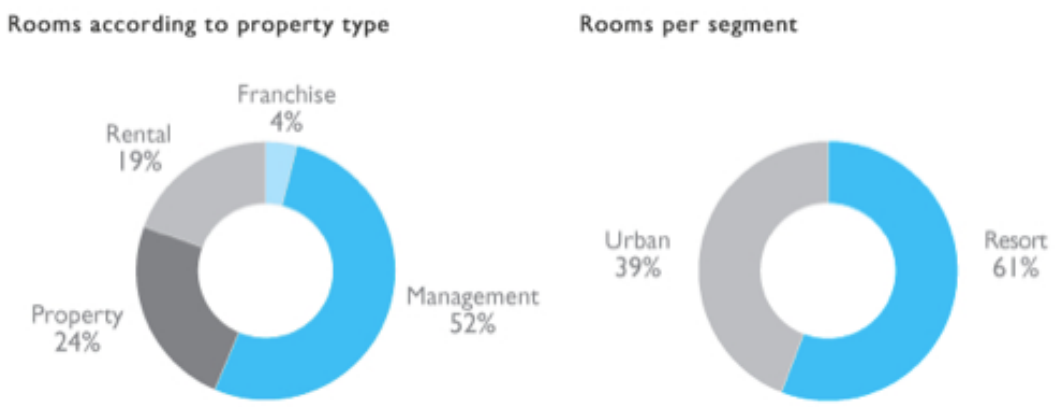


Figure 6. Contract types of Company X (Company X Expansion New 2013, p. 4)

Given the large number of hotels in the company portfolio, Figure 6 shows four main developed systems for operating hotels: ownership, management, lease and franchise.

- Ownership: Company X has both the ownership and the management of the property in its hands
- Management: Company X is responsible for the management of the hotel, but at the same time the hotel is owned by a partner with whom the company has agreed conditions for his/her management services
- Lease: Company X leases facilities to operate a hotel under one of its hotel brand names
- Franchise: Company X cedes the use of one of its brand names for a certain period to a partner so that the partner may operate a hotel under the brand name.

5.4.2 Brands

Table 1 illustrates the wide scope of brands of Company X brands covering different segments:

PREMIUM	Gran Meliá Rome Villa Agrippina (Italy)	GRAN MELIÁ HOTELS & RESORTS 12 hotels 3,811 rooms **Benchmark:** St Regis / Park Hyatt / JW Marriott / Intercontinental / Westin / Hyatt	ME BY MELIÁ 4 hotels 705 rooms **Benchmark:** W Hotels / Andaz / Morgans Hotel Group	Paradisus RESORTS 10 hotels 4,833 rooms **Benchmark:** Sandals / Secrets / Westin / Intercontinental / Royal Hideaway / Dreams / Palace Resorts / Couples Resorts

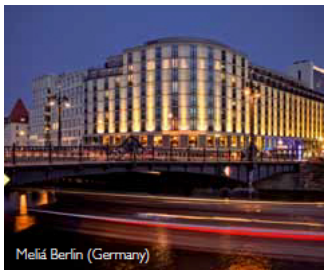
UPSCALE		MELIÃ HOTELS & RESORTS 128 hotels 37,993 rooms **Benchmark:** Hilton / Marriott / Hyatt / Le Meridien / Sheraton	INNSIDE BY MELIÃ 27 hotels 4,115 rooms **Benchmark:** Aloft / AC / Radisson Blu / Indigo	
MIDSCALE		TRYP BY WYNDHAM 91 hotels 14,714 rooms **Benchmark:** Novotel / Paradores / AC / Room Mate / Rafael Hoteles / NH / Silken / Abba / Lindner	Sol Hotels 82 hotels 26,648 rooms **Benchmark:** Iberostar / Riu / H10 / Barceló / Fiesta	

Table 1. Company's X brands and its classification (Company X Expansion New 2013, p. 9)

Figure 7 shows the percentage ratio between different brands and segments.

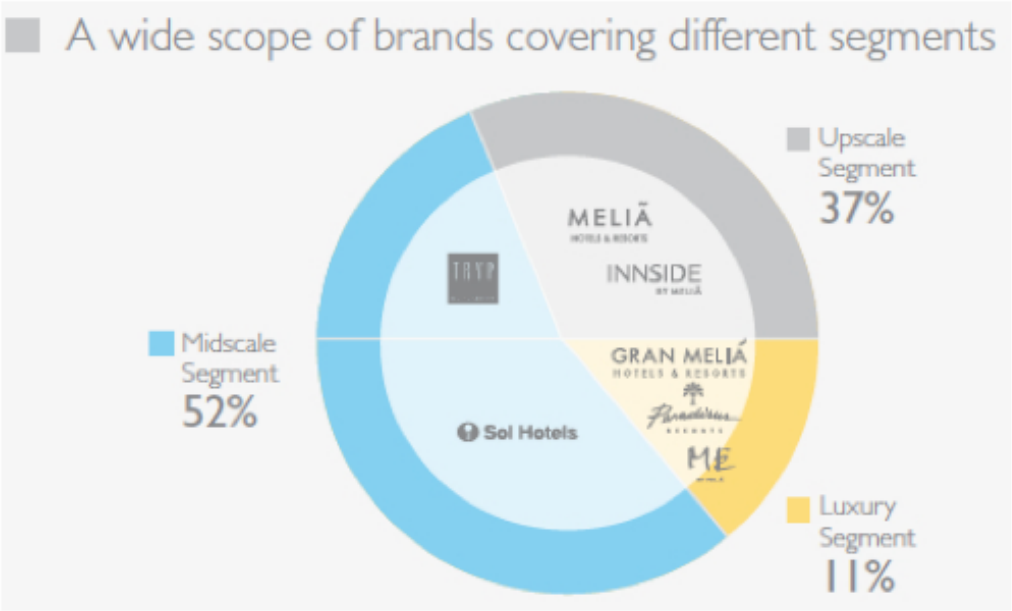


Figure 7. Scope of brands (Company X Expansion New, 2013 p. 6)

At Company X, sustainability is a main pillar of the business which is naturally reflected in hotels through the different brands they have in their portfolio. So,

as well as their commitment to socially, environmentally and culturally responsible management, each of Company X brands stand out for optimizing the specific sustainable features that distinguish them.

5.4.3 Strengths for developing and main development objectives

To be a successful and strong competitor in the market Company X should have necessary components for developing their business, i.e. experience, proximity, flexibility, competitive brand set, efficiency, global strategy and distribution & sales system. Each of these elements is an integral part of the company's strategy:

- *Experience*: 56 years of expertise in hotel operations clearly demonstrated in the 350 hotels of Company X;
- *Proximity*: experienced team of professionals based in local hubs all over the world to support Hotel partners during all hotel phases;
- *Flexibility*: adapted approach on a case-by-case basis. Company X is able to offer hybrid formulas for a win-win collaboration;
- *Competitive Brand Set*: Company X 7 year brands offer possibilities for all kinds of partnerships, whether in leisure or business, midscale, upscale or luxury amongst others;
- *Efficiency*: optimization of space, energy and resources for highly efficient hotel operations;
- *Global Strategy*: growing with global support in selected markets resulting in a diversified portfolio around the world;
- *Distribution & Sales System*: an ever-increasing 25% of direct sales through direct channels supported by 270 sales professionals around the globe.

Nowadays, Company X's main goal is to develop their key objectives in Europe, Asia, North and South America, Middle East and Africa. Table 3 demonstrates main development objectives of four key destinations.

Europe	Asia	Americas	Middle East & Africa
Reinforce presence in	Fuel growth in China &	Consolidate Meliã's	Spread Network in Arab

main Gateway cities	Southeast Asia	presence in main resorts and cities especially Mexico, Brazil, Colombia, Peru and Chile	Gulf Countries, Middle East and North Africa
Brands: MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ	Brands: MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ GRAN MELIÁ HOTELS & RESORTS ME BY MELIÃ Paradisus RESORTS	Diversify and expand into non-Spanish speaking islands in the Caribbean, including Bahamas, Jamaica, Antigua, Netherlands Antilles	Brands: MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ GRAN MELIÁ HOTELS & RESORTS ME BY MELIÃ
		Broaden presence in main US cities including NY and Miami Brands: MELIÃ HOTELS & RESORTS INNSIDE BY MELIÃ GRAN MELIÁ HOTELS & RESORTS ME BY MELIÃ Paradisus RESORTS	

Table 2. Main development objectives (Company X Expansion New 2013, p. 46)

In the near future Company X is planning to open new properties in different locations such as Middle East, Asia, Europe and North and South America. The opening date is vary between 2014-2016. Table 4 shows some of the projects which were completed in 2014.

 Gran Meliá Riyadh (252 keys) Saudi Arabia. Opening 2014	 Innside Santiago (120 keys) Chile. Opening 2014

Gran Meliá Xi'an (419 keys) China. Opening 2014	Innside Hamburg Högerdamm (205 keys) Germany. Opening 2014

Table 3. New hotel's opening in 2014 (Company X Expansion New 2013, p. 47)

5.4.4 Sales team

One of the main components of the Company X brand is a sales team model which operates in different destinations, provides profit, and develops the brand. For Company X it has a deep meaning: "A regional model with a global reach". The Company X Group is based on a regional structure with strong strategy for each segment. Company X has an extensive commercial network which is presented in the main markets of origin. Each region has sales targets, not only for its own market but also for abroad. There are four main destinations where over 270 professionals in the global and regional sales organizations work:

- **Europe**: Germany, France, Italy, Croatia, Bulgaria, Russia, Spain, Portugal and United Kingdom;
- **Americas**: Argentina, Brazil, Canada, Chile, Colombia, Cuba, Mexico, Puerto Rico, USA and Venezuela;
- **EMEA**: Egypt, Tunis and UAE;
- **Asia**: China, Indonesia, Japan and Singapore.

More than 162 account managers and 19 agents operate in four group desks and 37 sales offices all over the world, managing everything from hotel procurement, tour operator after-sales and hotel bookings, to the sale, implementation and monitoring of promotion/marketing plans with tour operators.

5.4.5 Sustainability policy

The goal of Company X is to contribute and support the sustainable development of the communities in which the company operates and the people that

form part of those communities, leaving a legacy to be enjoyed by future generations. Company X does not aim to be the best hotel company in the world, but the goal is to be a standard bearer for achieving a better world. (xxxxx.com.)

In order to have more proactive attitude, to be open and approach able, Company X has three main commitments which make stakeholders closer to the Company and get to know them better. Firstly, they are well aware that the natural environment is a key factor to sustainable development. Company X strives to reduce the impact of activity and contribute to the preservation of biological diversity in travel destinations through greater integration with the environment and being friendly to the nature. The company encourages reducing water and energy consumptions and emission reduction.

The second commitment is a social activity. Company X understands that they are able to make contribution to minimize social differences and poverty through providing opportunities for mutual economic growth; the company is sensitive to the social needs of its staff, providing voluntary work and cooperation; they attract more attention to disadvantaged groups such as the elderly or the disabled; eventually, their activity will only be more sustainable.

Finally, there is the conservation of both the tangible and intangible cultural heritage of the communities in which they operate. Company X Group values and respects the historical heritage as its own being: they are fully involved in local life, integrated into the cultural, culinary, and traditional characteristics of each location. The customers of Company X have an important role in the discovery and conservation of the rich cultural wealth in each destination.

The Company's commitment to sustainable development is a constant search of balance between the needs of modern generation and future generations, of balance between economic, socio-cultural and environmental development and the preservation of destinations, for balance between the needs and requirements of all of its different stakeholders. (xxxxx.com.)

5.5 Consumers' choice

As it was mentioned in chapter two "The Sociocultural Meaning of the Brand", Company X brand belongs to classic service brand, where they offer their services to satisfy a customer's demand and try to be attractive in relation to price, location, loyalty program, level of service etc. The research showed why business people or just tourists choose Company X group.

First of all, there is a special and good employees' attitude to the customers. Company X provides different kinds of training to prepare their personnel for accurate service. Moreover, the company gives the opportunity to have a high-qualified internship for students from all over the world; they can practice and develop their knowledge during the internship. It is one of the strategic tools for Company X to make their business successful.

Second, operating under different brands and having a wide price range make Company X brand more attractive for customers. They can choose a hotel depending on its style, "star level" (3*, 4*, 5*), location, experience and attributes under the different umbrella of brands.

Third, every guest wants to be treated specially and pays attention to the service effectiveness which he/she can get in Company X hotels. Because each brand operates according to the company standards, policies, its own regulations and budget, every guest has the opportunity to be treated specially.

Fourth, strong promotion and advertising make the brand recognizable, and remind consumers about previous experience and emotions during their stay in the Company X properties.

There are different reasons why a consumer chooses the Company X brand, but no matter what and where the company tries to do their best to make guests stay on a high-quality and it tries to leave strong and positive feelings, and appear every time in mind when the consumer thinks about this brand.

5.6 Tools of Company X

To investigate this part of the research a hand-in-hand communication with employees from marketing and reservation departments was conducted. It was difficult to get answers during a short period of time but, finally, the whole picture was completed. Due to Company X strategic locations and excellent distribution channels customers and stakeholders always have up-to-date information about the current situation in the chain and properties, and they can easily contact the company.

5.6.1 Customer segmentation and geographical exposure

“We constantly seek out the complicity of our guests in all our environmental, cultural and social initiatives, placing a particular emphasis on our influence over children”. This quote is taken from the official Company X web-site which shows that customers’ satisfaction for the company is really important, no matter if it is a business trip or leisure time, group of people or an individual. According to statistics, business visits consist up to 44% where groups are 16% and individuals – 28% of total amount of business customers, and leisure consist up to 56% where groups are 22% and individuals – 34%. Diversified customer segmentation is really valuable for Company X brand; the company tries to offer to their guests a favorable atmosphere for a particular situation, whether it is a business meeting or family holidays with children.

A wide range of nationalities prefers service and offers of Company X group more than service and offers of other groups. Table 2 shows top 12 nationalities from different parts of the world.

SPAIN	26%
GERMANY	14%
UNITED KINGDOM	12%
UNITED STATES	10%
MEXICO	4%
ITALY	3%
FRANCE	3%
CANADA	2%
VENEZUELA	2%
RUSSIAN FEDERATION	2%
BRAZIL	2%
IRELAND	2%
OTHER	18%
	100%

Note: % Room nights

Table 4. Top 12 nationalities (Company X Expansion New 2013, p. 7)

As it was mentioned before, Company X has their properties on four continents including both resorts and urban hotels. Operating profit contribution consists of four main locations: Americas – 58%, Spain – 16%, EMEA – 24% and Asia 2%, where resorts consist up to 63% and urban visits up to 37%.

5.6.2 Company X distribution model and systems

Every year, Company X generates more than 25% of its sales through its own sales channels, including the Call Centre, direct connectivity through travel agencies, tour operators and OTA's (Online Travel Agencies), the loyalty scheme, direct booking, PMS – Hotel, e-marketing direct channels and one of the main - xxxxx.com website. Figure 6 shows the distribution model and systems in details. (Company X Expansion 2013, p. 33.)

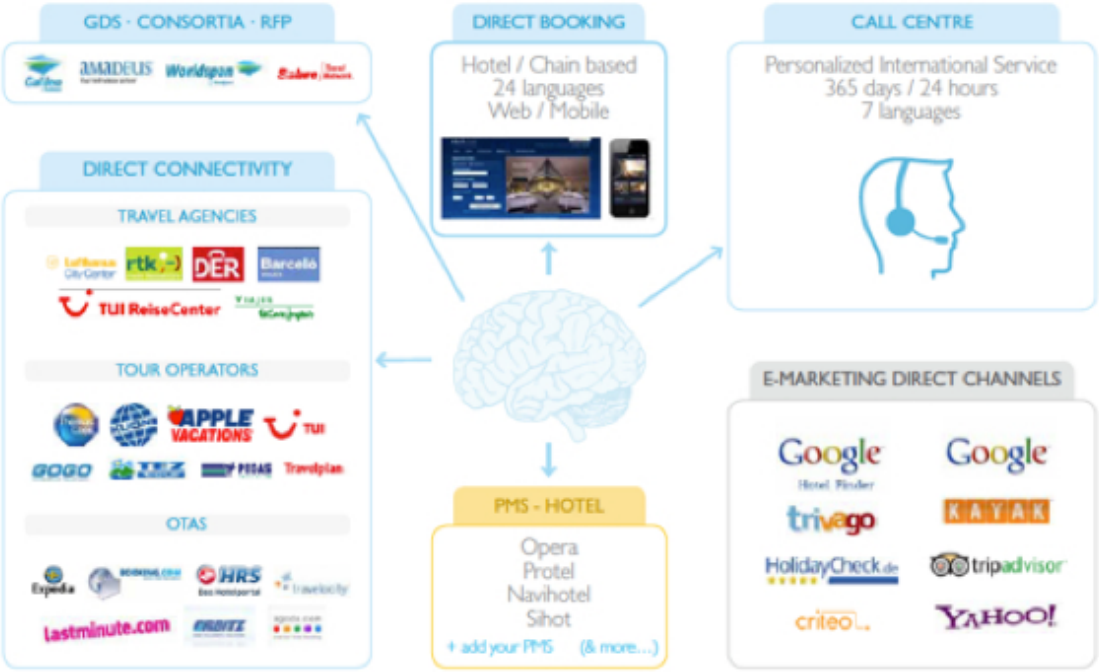


Figure 8. Distribution model & systems (Company X Expansion New 2013, p. 33)

The income generated by these distribution channels is not the product of luck but rather significant groundwork which is firmly based on new technologies and customer knowledge. It is precisely this knowledge that helps Company X to offer each customer the brand, product or service which suits better his/her needs, thus optimizing his/her purchase needs.

Company X has its own database of more than 11 million customers categorized according to their brand affinity, destination, reason for travelling, booking channel, psychographic segmentation, times of purchase, potential value, lifecycle, etc. This database provides the basis for developing customer communication strategies using leading technologies in Multi-Channel Campaign Management.

Main distribution channel for Company X is xxxxx.com which brings more than 180 million euro revenue (70% of hotels room revenue) and more than 50 million unique visitors per year. The website operates in 7 languages and 8 versions including: Spanish, English, Italian, German, French, Portuguese and now Russian. More than that, Company X releases mobile versions of its official web site for apple, android and blackberry.

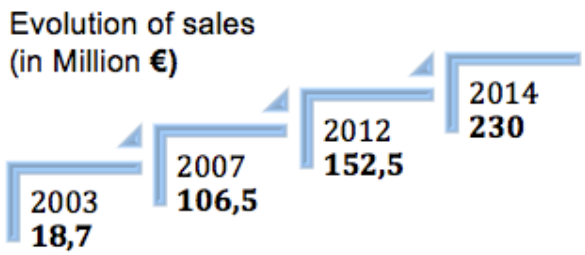


Figure 9. Evolution of sales xxxxx.com (Company X Expansion New 2013, p. 34)

Xxxxx.com is the most profitable distribution channel with the greatest bookings potential for Company X. The official web site accounts for more than 56% of the income generated by the company's own channels and its contribution to income statement has changed from only 0.4 million Euros in 1999 to 230 million Euros in 2014.

5.6.3 Company X in social media

Social networks have created a new space for communication and interaction with Company X stakeholders, as well as being a valuable source of customer information, a strong tool for loyalty and global showcase for the brands and products.

With the emergence of social networks, the company's reputation has reached another level of exposure: everything that is now on the Internet, either positive or negative, can influence the customer's perceptions. Company X employees are too much aware of the importance of managing their online presence, ensuring transparency and connecting with their audience. The company learn more about their tastes and needs, respond to their questions, quickly resolve any problems and, ultimately, improve their service, because the satisfaction of Company X customers is the top priority.

Social networks have created a new space for a permanent company dialogue with their stakeholders and a chance to influence their perceptions. As communication channels, they are an effective tool to increase brand awareness, reputation and customer loyalty. Because of their importance, Company X has a Social Media department, which manages the company's social media presence and whose objectives are:

- to increase brand presence in social networks;
- to increase positive sentiment about Company X Group;
- to increase interaction with xxxxx.com.

70% of Company X customers use social media on their vacations, 68% contact family and friends, 48% shoot photos or video. There are many types of social networks, all of which are constantly changing. The most important media sources for Company X are Facebook (over 900 million users; in less than a year it has grown over by 165 million users), Twitter (200 million users with a maximum text message of 140 characters), Blog, YouTube (2 billion views per day; almost every minute a new video is uploaded), LinkedIn (in January 2013 it reached more than 200 million users). The conversation of these official accounts is generated by the Community Managers (communication experts in social networks) of Company X brands and some hotels, and are the official spokespersons of Company X in this environment.

6 Conclusion and result

The way how Company X became one of the famous and recognized brands in the world was analyzed in the thesis, also the answers to the main questions were given throughout the research. It was settled down that the employees of company help to find different ways to maintain them in future and still to be a strong competitor in the market. After receiving answers for questionnaire (Appendix 1), in spite of the fact that the duration of the working period among employees varies from six month up to twelve years, all of them are proud to be part of Company X brand.

As it was shown in the research, well-planned and implemented brand strategy is one of the crucial parts not only for Company X, but also for other companies which operate in the domestic and international markets. It is important to be attractive for customers who need different service, as well as for reputation itself. Company X has several strong tools that make customers to choose exactly their brand among a wide range of another hotel chains. Perfect room facilities together with service effectively make this brand recognizable in the

market and form almost always positive attitude in customers' mind. Also Company X chain already has many years of experience and strong reputation in the international and domestic markets, together with its capacity to improve, change and be updated regardless the time. An excellent loyalty program for their customers, brand attribute such as The Level, The Roof bar etc. which exists in every hotel, developed GDS (Global Distribution System), OTA's and official website – xxxxx.com, the main strategic tool, help to keep Company X brand reputation which brings a huge profit for "the company's face" and budget.

Company X brands are one of the strongest competitors nowadays because the company operates more than 350 hotels worldwide; it has operated more than 50 years. They have very consolidated and differentiated brands across all over the world. Moreover, Company X possesses Spanish passion for service, easy adaptation to changes, strategic locations and strong distribution channels. All the time Company X group keeps changing according to the market and customers' needs.

There are different criteria why customers choose this or that brand. The employees of Company X have different criteria in their mind why the company is attractive for customers who choose the place to stay for business or leisure:

- Experience and attributes under the *different brands*. Under the company's umbrella of brands customers can choose the suitable one depending on the hotel style (Old Fashion, Contemporary, Business Hotel);
- *Price*, depending on hotel level (3*, 4* or 5* property);
- Always the best *location*;
- Customers *feel special* in every hotel of Company X's brand;
- Highly qualified and trained *personnel*;
- *Loyalty program* which allows getting exclusive rates, free nights, extra service benefits, etc.

Despite the huge success since the 50s, Company X continuously develops its brand name in the international market. To improve the company's brand strategy Company X needs to invest more in innovations and employees training.

No matter that the economic situation in Spain has not improved, Company X has been improving themselves and hotels are still giving profit to Company X group.

One of Company X slogans is "…because our guest is our reason for being". Every guest is unique for this company, and they try to provide the best service for him/her in order to keep the customer willing to come back. The brand is not just a beautiful logo or nice sounding name, it exists in the consumer's mind, as a collection of perceptions which appears when a person remembers particular moment of his/her life. To build a strong and profitable brand system is so important to have good team, company's background, customer's trust, high level of distribution channels and brand portfolio. As a result, Company X shows high quality and strong competitiveness in the international market, employees come with willingness to work, and they are really happy to be part of this big and at the same time cozy organization.

The whole work on the thesis reached its goals and the result was gained successfully. In spite of the fact that not so many answers on questionnaire were received, as planned the good result were gotten. Company X was proven to be the famous and strong recognized brand in the market owing to its long history, rich brand portfolio and various locations worldwide, brilliant working team, their distribution system and good understanding of customers' needs and providing high level of services. But despite of that, Company X need to be ready for changes in the world and to develop its brand strategy and improve its services.

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Figures

Figure 1. Classical model of consumer choice, p. 9

Figure 2. A synthetic model of brand equity, p. 13

Figure 3. General model of brand positioning, p. 17

Figure 4. Elements of brand strategy, p. 20

Figure 5. Company’s X vision, p. 27

Figure 6. Contract types of Company X, p. 28

Figure 7. Scope of brands, p. 30

Figure 8. Distribution model & systems, p. 38

Figure 9. Evolution of sales xxxxx.com, p. 39

Tables

Table 1. Company’s X brands and its classification, p. 29-30

Table 2. Main development objectives, p. 31-32

Table 3. New hotels' opening in 2014, p. 32-33

Table 4. Top 12 nationalities, p. 37

APPENDIX 1

Name:

Please, answer for the following questions:

1. How long have you been working for Company X's group?
   A:

2. Why do you consider that Company X's group is a strong competitor nowadays?
   A:

3. What are the main criteria for customers when they're choosing the place to stay among the big amount of different hotel brands?
   A:

4. What would you change in the brand strategy in order to develop the chain's competitiveness?
   A:

5. Are you happy with the current situation of Company X? If not, why?
   A:

6. What is the strongest tool your company has in your opinion, so that customers choose to stay in Company X rather than any other hotel?
   A:

7. Are you proud of working for Company X?
   A: