



Reas M. Kondraschow
EVP International Development

**MANAGING HOTEL BRANDS: STANDING OUT
AND BECOMING A GLOBAL PLAYER**



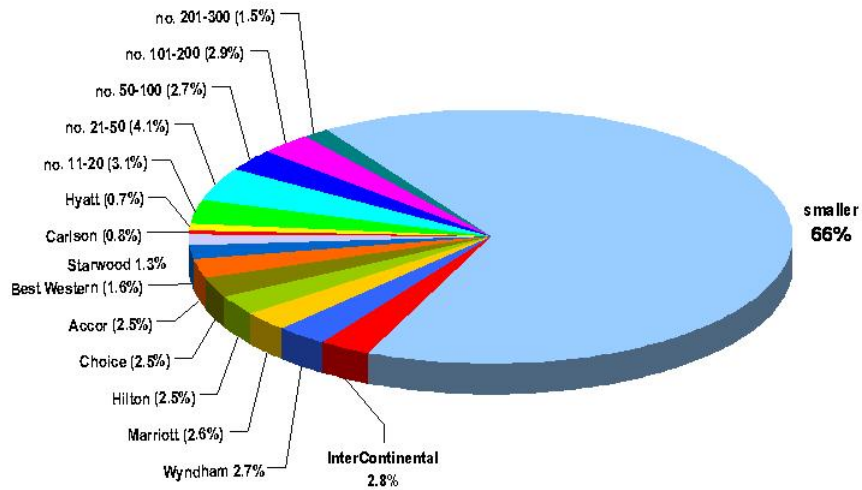
Branding



- ◆ Defines
- ◆ Promise
- ◆ Differentiates
- ◆ Segments
- ◆ Emotion & Aspiration

Concentration, Chain Affiliation

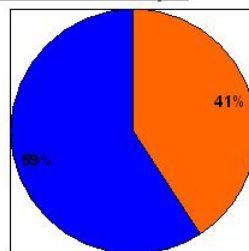
- *Hotels* magazine's first 300 as share of total rooms
- Low concentration compared to other products



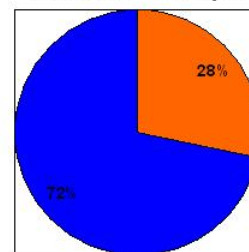
International Industry Assessment

% Chained vs. Independent hotels
(based on 2006 Gross Room Revenue)

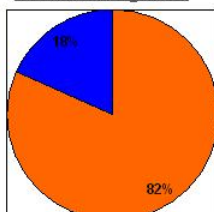
Western Europe



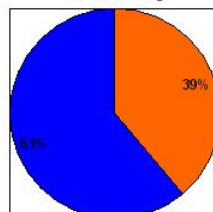
Eastern Europe



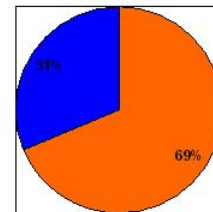
United Kingdom



Germany



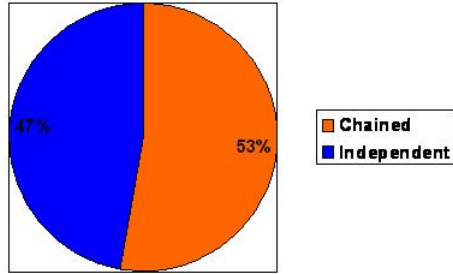
Ireland



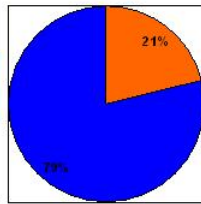
International Industry Assessment

% Chained vs. Independent hotels
(based on 2006 Gross Room Revenue)

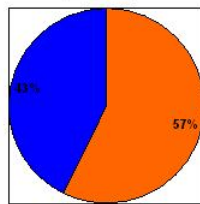
Asia Pacific



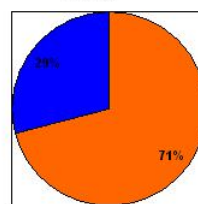
China



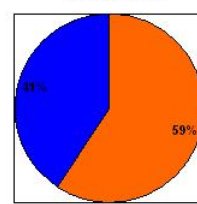
Japan



India



S. Korea



Source: Euromonitor: Travel and Tourism, from trade sources/national statistics

The Key Global Hotel Groups

HYATT

INTERCONTINENTAL
HOTELS GROUP

ACCOR

STARWOOD
HOTELS & RESORTS WORLDWIDE, INC.

WYNDHAM
WORLDWIDE

MARriott
INTERNATIONAL

CHOICE HOTELS
INTERNATIONAL

Best
Western

Hilton Hotels Corporation



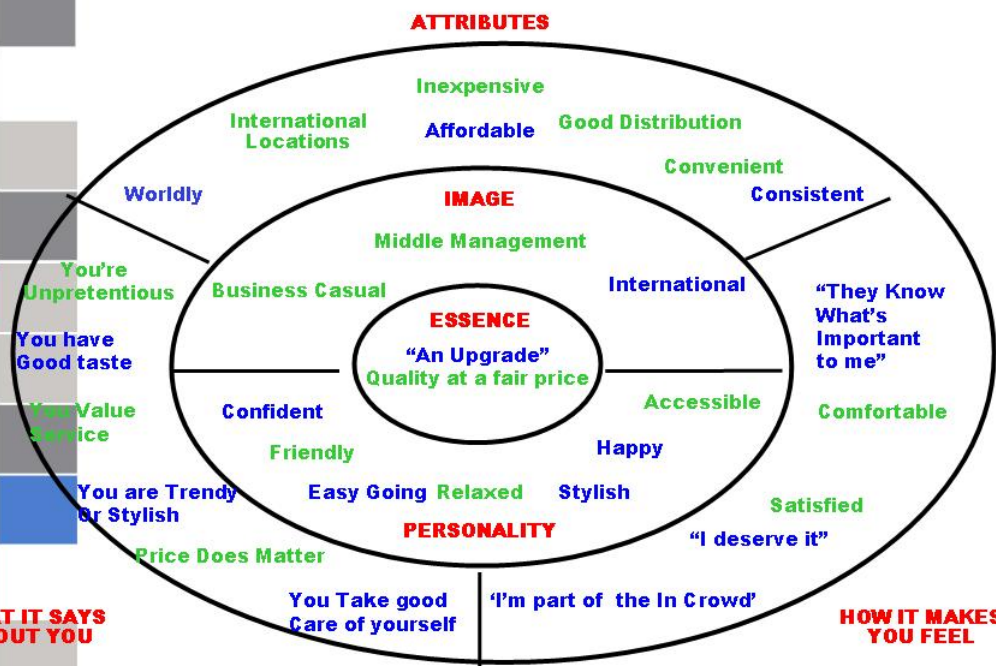
Business & Leisure Travel



- ◆ Economic Growth
- ◆ Financial
- ◆ E Commerce
- ◆ Facilitators



Brand Essence Wheel





Noteworthy Trends in Lodging Industry Past Ten Years



- Time** is the new currency
 - consumers are time starved
 - “express” services will continue to grow in importance
- Product** is key driver of guest satisfaction across all market segments
 - Comforts of home
 - Ability to multi-task in room
 - Comfort of Bed
- Service**
 - Recognition
 - Personal
 - Friendly
 - Genuine
 - Solve My Problem
- All inclusive** experience
 - Don't nickel and dime the customer
 - Expect to pay for value-added services, wrap up in room rate



Most Important Hotel Attributes



Hotel Brand Attribute Importance – Business Traveler
 % giving a score of 8 – 10/10 (Rank)

	UK	Germany	China
Comfortable room, suitable for relaxing in/working	80(1)	84(2)	87(1)
Friendly, helpful staff	80(2)	86(1)	87(2)
Excellent staff service	79(3)	73(4)	83(4)
Has hotels in places I travel	77(4)	58(9)	76(10)
Provide good value for price paid	63(9)	75(3)	82(5)
Food & Beverage of excellent quality	70(7)	71(5)	66((17)
Hotels in group provide consistent quality and standards	75(5)	63(6)	79(6)



Push – Pull Strategy



❖ PUSH COMPETITION

Standards
Systems
Programs



Our Brands are Global but the Hotels Must be Local



- ❖ Most guests will be from the local region
- ❖ Local hotel design
- ❖ Provide local amenities
- ❖ Flexible and adaptable to meet the needs of the guest
- ❖ Flexible and adaptable to meet the returns the owners expect based on current market expectations



1st Super 8 built in Aberdeen, SD



New Super 8 Urban Design



Super 8 Tianjin Jian Gong

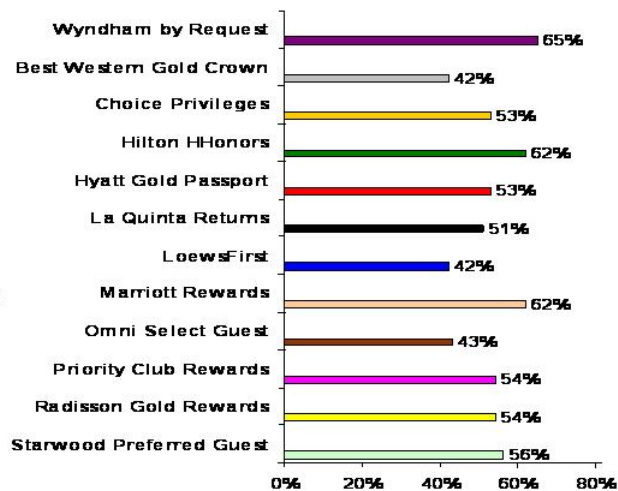


Frequent Guest Programs



Overall Satisfaction
with FGP
Among Active
Members
(Top 2 box score)

*SCORES Research
Phoenix Marketing
Q1 2006*



Push – Pull Strategy



☛ PUSH COMPETITION

Standards
Systems
Programs

☛ PULL TRAVELLERS

Destinations
Leisure
Business



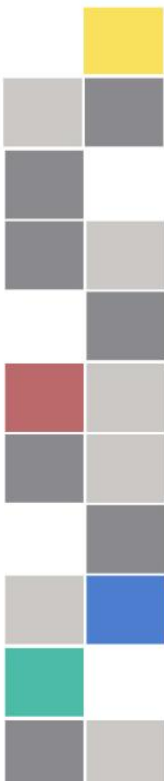
Brand Commitment



- ❖ Promises made, Promises Kept
- ❖ Global Expectations
- ❖ Consistency
- ❖ Different Tiers for Different Guests
- ❖ What Differentiates
- ❖ Simplicity of Delivery
- ❖ Monitor
- ❖ Respond to Changing Preferences



Brand Expansion



- ❖ Long Stay
- ❖ Hotels w/o food services
- ❖ Design Hotels
- ❖ Life Style Hotels
- ❖ Eco Hotels
- ❖ Simple Hotels in form and function



What a Global Brand Needs To Do



- ✓ Develop and own a distinct brand experience
- ✓ Experiential marketing elicits a unique sensory response in relation to a brand.
- ✓ Experiential marketing shapes everything a brand does
- ✓ Experiential marketing enables a brand to relate in a more personal way with the goal of emotionally engaging the consumer
- ✓ Successful brands utilize experiential marketing consistent with their brand essence as an “operations manual”
- ✓ The “manual” helps to determine what, where and when to incorporate changes and upgrades to the overall experience.
- ✓ Deliver the Expectation



Reas M. Kondraschow
EVP International Development

**MANAGING HOTEL BRANDS: STANDING OUT
AND BECOMING A GLOBAL PLAYER**

