

How to brand a luxury mini-chain

Nadine van Doorn and David McCaskey look at the challenge of branding and operational excellence which face luxury mini-chains like the Carlton Hotel Collection.

The fresh new images from Carlton are a bright spot in a low-growth heads-down environment. They show how carefully these relaxed and attractive images are tailored to the customers and their environment.

The nature of competition is changing. It was once easy to choose between competing products and services on the basis of price, quality of service, using rational or quasi-rational factors. Today that is less and less the case: emotional factors—being liked, admired or respected more than the competition—have to be brought to bear if companies are to win business in an intensely competitive market. And that is why Carlton has decided to now invest heavily in what is increasingly being called corporate branding.

Right place, right moment, right proposition

The Carlton Hotel Collection was established in 1985. The hotel group is a part of Hotel Management International Ltd (HMI) established in Great Britain in 1973. The present shareholders acquired HMI in 1981, with the aim of further expanding the hotel group. At present, there are seven hotels in the Netherlands and three in Great Britain.

Brands, or rather 'clearly formulated identities', are the answer to a fragmented market. But in their desire for clarity they tend to become unambiguous and one-dimensional.¹

Carlton is a highly successful market leading company, but people were saying they hadn't even heard of the group, so it was time to think about the brand.

A brand has a personality equivalent to that of a person. Personal traits, values, rights and responsibilities can be ascribed to the brand. Brands can be arrogant, frugal or friendly. People expect brands to behave in

certain ways and do not accept other ways of behaviour, just as they will say of friends and acquaintances. 'That's so typical of for that hotel,' or 'That's not like them at all.' 'Oh, but it is!' says another...

Consumers base their hotel choices on the combination of what is offered, who offers it, and how it is offered. That's where the wellspring of the concept lies.

Where to start

Before the branding exercise, while the Carlton Hotel Collection was a group of entirely different hotels in both the leisure and business markets and operating as individual brands, Carlton corporate communications were monolithic. This inconsistency had grown over years. To have the operational advantages of being a group of hotels and get the emotional advantage of

more possibilities for differentiation within the market in communication and stress the individual propositions of the different hotels

belonging to Carlton, it was time to address the inconsistent branding problem.

The intention was to create a clear brand proposition, to be used to contact specific target groups, creating clear expectations for guests. The starting point was to develop clear core values (unique selling points—USPs) for all individual hotels. The next step was to define the core values for the Carlton Hotel Collection 'signa-

OP VERHAAL KOMEN BIJ CARLTON...

De hotels van de Carlton Hotel Collection zijn dé locatie voor inspirerende & originele evenementen. Groot of klein, uitbundig of ingetogen, elk evenement wordt volledig door ons verzorgd en op maat samengesteld naar uw wens.

CARLTONCARLTONCARLTON CARLTONCARLTONCARLTONCARLTON
HOTELHOTELHOTELHOTELHOTELHOTELHOTELHOTELHOTEL
COLLECTIONCOLLECTIONCOLLECTIONCOLLECTIONCOLLECTIONCOLLECTIONCOLLECTION

FEEL AT HOME

BE YOURSELF

INDULGE

BE COMFORTABLE

CARLTON
HOTEL
COLLECTION

CARLTON HOTEL COLLECTION

Carlton Ambassador, The Hague
Carlton Beach, Scheveningen
Carlton De Brug, Mierlo
Carlton Oasis, Spijkenisse
Carlton President, Utrecht
Carlton Square, Haarlem
Canal Crown, Amsterdam
Carlton Mitre, London
Carlton George, Glasgow

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The effect of the brand design with the core values, a witty illustration and the logo and the 'foundation' chain of type symbolising the links to the group. In addition to the hotels listed left, Carlton is refurbishing the Princess Hotel, Manchester, a 85-room city centre hotel in a classic cotton mill and working to develop the Canal Crown Hotel, in central Amsterdam as a town house hotel, with an interior based on designs of the Amsterdam school.

(Carlton Hotel Collection)

ture' from these individual values with Carlton as the foundation—not just a label.

Combining the development of the brand with the brand values themselves should make the guests' selection processes and deliver be a coherent proposition, that can serve as a starting point for all communications.

Table 1 Carlton vision statement

- Increase group turnover on existing hotels by an average of 10% per year over a 3-year period
- Increase group profitability by an average of 30% a year over a 3-year period
- To achieve an IBFC in excess of 40% over the average of the 3 years
- To achieve a group net profit of 10% of net revenue by 2005/6
- To achieve a 100% efficiency across all of the hotels by 2005/6
- To maintain all of our hotel grades
- Reduce the number of 'negative' guest comment cards by 10% a year
- To maintain a debt:EBITDA ratio of less than 4.5
- To maintain staff turnover at or below the industry benchmark.

The need for professional help

Carlton's brief to external consultants SVT Branding & Design Group (SVT) from Amsterdam was agreed as follows:

What

- 1 Create and communicate a clear brand proposition: guaranteed quality (rational) + added values (emo-

tional).

- 2 Create more possibilities for differentiation within the market in communication and stress the individual propositions of the different Carlton hotels.

How

- 1 More influence for the individual hotels in joint activities: individual marketing and variation as a quality.
- 2 In the individual hotels, more emphasis on the shared values of Carlton: The Carlton Hotel Collection as a 'string of pearls'—a quality signature.

Why

- 1 To give the existing hotels a shared quality signature.
- 2 As a starting point for new projects.
- 3 To upgrade the underperforming hotels.

To do

- 1 Develop the Carlton signature and connect values to it.
- 2 Translate the individual core values into (brand) communication, with the Carlton signature as a foundation.

Carlton's brand description

The result of the work was a subtle elaboration of the balance between diversity and consistency:

- The Carlton Hotel Collection brings unity in variety with the mindset 'Think Carlton, act local'.
- Variety between the hotels because of the personal touch, the characteristic interior, the unique location and the individual mix between business and leisure.

- ❑ Unity because of the Carlton signature: guaranteed quality and personal services rising above all expectations with reference to our changed and changing way of life.
- ❑ Carlton stands for a comfortable atmosphere:
 - 'Be yourself'
 - 'Be comfortable'
 - 'Feel at home'
 - 'Indulge'.

Table 2 Carlton core values

- ❑ customer focused
- ❑ quality (product, people and atmosphere)
- ❑ natural warmth
- ❑ entrepreneurial (innovative, challenging, competitive and freedom to manage)
- ❑ fun
- ❑ dedication
- ❑ communication (internal and external).

The visual image

This comfortable atmosphere has also been translated into the new style of photography. Most of the (black & white) pictures now refer to happy, comfortable people. (see examples opposite of leisure travel, staff and events). In contrast, earlier campaigns used pictures of empty hotel rooms which, with hindsight, are a bit ridiculous. Why refer to (an empty) room with a bed (right) when it is the most straightforward asset anyway? What you want to put across is the emotional experience when you come to visit one of the Carlton hotels. The pictures cover staff, leisure and business customers and events.



The role of the logo

The logo—or symbol—lies at the heart of Carlton's identity programme. Its prime propose to present the central idea of the organisation with impact, brevity and immediacy. The logo plays a pivotal role in the corporate identity. It should always be one of the first things a customer/client sees and is often part of what you leave with them. Business cards, stationery, business signs, brochures—all of these items have or should be branded by a logo on them. That is why a logo is central to Carlton's corporate identity, it essentially

is the signature, the idea of the company that we want guests to remember.

The logos have been adjusted slightly. As the indi-

Why refer to (an empty) room with a bed when it is the most straightforward asset anyway?

viduality of the hotels are of great importance, it was decided to focus on the hotel name, rather than on Carlton. Carlton Hotel Collection will be presented as the foundation, referring back to the different hotels within the group and representing the overall personal service and the excellent quality.

Can branding be enough?

A brand has to stand out at all times, arouse curiosity and come up with positive surprises. In hotels, this comes about through a natural interplay of all elements of the formula. The idea that the house style in the broadest sense of the word must be very rigidly implemented, had been gradually drummed into the thinking of entrepreneurs, because repetition creates recognition and encourages end-user to choose the brand.

It is easy to forget that along with the professionalisation of the world, consumers have grown into 'prosumers'. They have developed into skilled interpreters of signs and behaviour. The time is therefore ripe for a new mentality: the development of 'the brand' into a real personality—an adjusted and stratified Carlton brand which now looks different and behaves differently in different situations, appropriate to product and situation.

It was time to question the basic thinking behind brand management. It was created in different market conditions, different situations, and has been re-diffused time after time in brand management textbooks. Strategic wisdom warns, if it is taught, then it is probably obsolete; since the essence of good brand management is differentiation, advanced brand management should break free from the classic brand management moulds or at least not hesitate to question their relevance.²

In contemporary marketing theory, de Chernatony's writings propose a move away from the traditional brand management with its tunnel vision on customer behaviour. He confirms that marketing and



brand management are more critical than ever before, while calling for a more balanced perspective where the brand needs to be managed internally. The organisation has to ensure that staff team are energised and share the consensus about the brand and its values. Only with the staff on side can they support the promise made to the customer and to ensure its delivery.³

People and brands

Instead of simply readjusting the identity, Carlton simply looked for an identity stretch; that is, the 'bandwidth' in which they can comfortably operate. As Sir Terence Conran has appropriately said, 'People's taste develops by being shown something different'.⁴

The leeway that exists becomes clear by comparing the identity of a Carlton with that of a person. A person adapts to different situations: most people will use different language in the pub with their friends, than at the dinner table with their in-laws (...the first time they meet, in any case). Yet you remain the same person 'in your mind'. This behaviour (adaptive behaviour, in other words) is necessary in order to survive.

In hotels, the environment is crucial in presenting the idea of the organisation to its customers. Carlton's identity derives largely from the environments which it consistently seeks to create. After the implementation of the full new corporate identity, guests must know what a specific Carlton hotel will be like—that's its personality.

An stretched corporate identity

When we looked at the existing identity, it turned out that the emotional components had been forgotten. When we listed our strong points, the USPs, but they only included the rational selling points (RSPs) or in other words, our business values, which in many cases can be copied. Our guests base most of their decisions about becoming, being or remaining guests on emotions, not on reason. For example, our hotel can be the first to have wireless internet access throughout, but there is a good chance that within two weeks every hotel in the area will have that access as well. How do you manage to get guests to keep visiting your hotel nevertheless?

The crux of the matter is the added value that comes with the total hotel experience; added value that stems from the combination of products and service—and, last but not least, personality. It is the fingerprint of the organisation and it is what makes that internet

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access different from the access of other competitive hotels.

The brand concept developed from

- identity (including the emotional and rational values)
- positioning

- ❑ ambition and/or market vision.

It is the starting point for the formula, the stretch of the brand and the organisation. The formula distils the essence of the brand, the organisation and its stretch. All brand expressions emanate from this single source, and Carlton embodies the brand in everything it does. This is 'living the brand': the brand concept takes shape in the formula elements, which link to the image matching the identity, and help the guest pick up the right values.

The Carlton identity has a few simple rules for use. The identity:

- ❑ Deals with both internal and external audiences.

People's taste develops by being shown something different

- ❑ Is a design, marketing, communication and human resources tool.
- ❑ Should influence every part of the organisation and every target segment of the organisation.
- ❑ Is an economic resource because it mostly co-ordinates what already exists or what has to be done.

How does corporate identity benefit Carlton's business?

Corporate identity can benefit a business in many different ways. Carlton invested in a solid corporate identity and is now telling the guests that 'we are here to stay'. It shows a sign of longevity, which not only attracts clients and consumers, but also potential investors: it's an indicator that you are serious about being successful.

Also, a functional corporate identity conveys Carlton's company's ideals, motives and objectives—a sense of what the business is all about, what's its 'message'. The benefit of creating a consistent and functional corporate identity, is to ensure that Carlton will be remembered.⁵

With the 'amenity creep' of the last few years, the polarisation of the sector and several new entrants, Carlton must distinguish her brand from other operators in the sector. You can say it is related to the facilities offered by the hotel, from the nature/quality of the restaurant, of air conditioning or larger than average beds, but for Carlton the most important asset is the professionalism and friendliness of their staff. Apart from that, the hotels individuality is also a distinguishing feature of Carlton.

Internal branding

In addition to the importance of disseminating the identity and the emotional values externally, it is also important for Carlton to keep this alive internally.

Internal branding differs in principle for employees in hospitality compared to a manufacturing company. On the hotel floor, employees come in direct (one-to-one) contact with guests and are closely involved with the service they provide. Internal branding makes employees proud of 'their' company and gives them a feeling of really belonging to the company.

It stimulates them to actively and unequivocally express the Carlton values in their daily work. And that's important—as the contact between our employees and the guest is a 'moment of truth'. The promises that the Carlton propagates externally through its image and through all communications must to a large extent be delivered during those contacts between guests and personnel.

Key trends

To stand out in the crowd within hospitality is of great importance and especially now, as the last couple of years have been turbulent and difficult years.⁶ Moreover, there are other factors to consider in the changing consumer market.

- ❑ The internet revolution has started to shape new customer- and consumer behaviours and has raised consumers' expectations of brands and corporations.
- ❑ In postmodern societies consumer fragmentation is the rule. We are moving away from markets made up of aggregated individuals; markets are now made up of networked consumers, communities and groups.
- ❑ We also live in a global world, which has stimulated some craving for local identity with consequences for the religion of the 'global brand'.
- ❑ In Europe, consumers have had to face a number of food crises: from BSE, chicken flu and the foot-and-mouth disease undermining their trust. Since trust is a key dimension of brand capital, Carlton has to respond to this loss of trust.
- ❑ The ageing of the population forces brands to communicate with a larger number of generations simultaneously and creating new demands, that are unmet so far.
- ❑ Our multi-channel environment is fragmenting the media, calling into question the classic role of

understanding the most motivating emergent meaning of, say, indulgence; which meaning will work best for your brand? What you are trying to do is to encode the meaning/s of the experiences you provide.

Here we are entering the territory of semiotics; asking how our communications are decoded by our various customer groups. Good examples, for those new to this area, are provided by Michael Harvey and Malcolm Evans where they decode the imagery presented by Guinness rivals.

Think of the following bits of communication in isolation from each other:

A crashing wave

The sound of a cap coming off a bottle (Psssst)

Back-lit golden liquid with bubbles moving up

A water drop sliding down a glass

Thirst (sun, parched land, water)

The first big glug, subsequent release of breath and spontaneous sound of satisfaction.¹⁰

Try to decode some of the thousands of marketing communications you receive everyday from a wide range of media. Remember that you only probably 'receive' less than 10 percent of what you are exposed to, the rest you filter out otherwise you would be suffering from media overload.

In moving away from traditional 'brochurese', the Carlton Hotel Collection and their agency have tried to convey the 'essence' of the experience through the images and copy they employ: *Feel at Home; Be Yourself: Indulge: Be Comfortable*

Have they succeeded? Make your own judgement, as will the market over the next few months following this August's launch. It is without doubt, a move in the right direction. Are they leaders or followers? Why not analyse and decode your and your competitor's communications, objectively? Let's see what are the emergent trends.

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