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Building Brands in the Internet Age: Analytics, Loyalty, and Communication

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Abstract
As hospitality firms build and maintain their brands, they have been buffeted by the internet dialectic that occurs in so many other enterprises. On the one hand, the internet and social media provide new tools and information to solidify the brand. On the other hand, the internet strengthens the push toward commoditization. Fortunately, the electronic media can provide the customer information that helps brand managers to offset the commoditization trend and improve their brand's status—provided the brand manager can find and decipher the needed information from the sea of blogs and social media conversations that wash across the web. Several presentations at the Cornell Hospitality Research Summit, held in October 2010, addressed these issues, including internet analytics, traditional and innovative forms of market research, brand management, and building customer loyalty.

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EXECUTIVE SUMMARY

Because people are willing to post information and commentaries about their travels and other hospitality-related information, hospitality industries can cull internet and social media sites for information that will help them serve their customers and build their brands. These electronic data can be combined with information gathered through conventional research to assist in brand management, and to ensure that the brand is meeting customers' needs and developing a loyal following. The application of internet analytics involves making sense of diffuse information by collecting, categorizing, and analyzing immense volumes of material. Despite the availability of this information, well constructed mail surveys provide a more complete picture of customers' views, because not all types of customer are represented on the internet or social media. In terms of customer loyalty, hospitality firms might do well to re-evaluate their loyalty programs and to segment program members according to their actual patronage. Hospitality managers are well aware that many loyalty program members are participating only for the discounts—and, indeed, one pitfall of such programs occurs when they offer discounts on main-line products rather than add-ons. Consequently, loyalty programs can inadvertently focus participants on price instead of on loyalty. Rather than deal with pricing, the focus of loyalty programs (and brand management in general) should be customer contact and recognition. The essential element of a brand is the promise of a set of benefits that the brand provides its customers. To a great degree, hospitality customers are seeking experiences, and brand should provide those experiences, or, more specifically, create the framework that allows guests to have the experience they seek.

Building Brands in the Internet Age:
Analytics, Loyalty, and Communication

by Glenn Withiam

As hospitality firms build and maintain their brands, they have been buffeted by the internet dialectic that occurs in so many other enterprises. On the one hand, the internet and social media provide new tools and information to solidify the brand. On the other hand, the internet strengthens the push toward commoditization. Fortunately, the electronic media can provide the customer information that helps brand managers to offset the commoditization trend and improve their brand's status—provided the brand manager can find and decipher the needed information from the sea of blogs and social media conversations that wash across the web. Several presentations at the Cornell Hospitality Research Summit, held in October 2010, addressed these issues, including internet analytics, traditional and innovative forms of market research, brand management, and building customer loyalty.

Perhaps the most promising facet of electronic media is also potentially the most challenging—making sense out of the prodigious amount of information posted by travelers on a wide variety of internet sites. Some of those travelers are your customers or potential customers, but others are not really part of your target market at all. Sifting out the useful information involves capturing and analyzing the disorganized communications found on social media and throughout the internet.

As pointed out by Kelly McGuire, executive director, global hospitality and travel practice, SAS, social media constitute a natural fit for the hospitality industry, both in terms of learning about customers and marketing to them.[1] However, social media postings present the challenge of synthesizing unstructured data into a usable format. For good or ill, the openness of the internet means that hoteliers have access to information about their hotels, and so do competitors.

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[1] For a discussion of internet- and social media–based market analysis, see: "Glenn Withiam, "Social Media and the Hospitality Industry: Holding a Tiger by the Tail," *Cornell Hospitality Research Summit Proceedings*, Vol. 2, No. 3 (2011), Cornell Center for Hospitality Research (www.chr.cornell.edu).

Internet Analytics

The process of creating structure from internet data begins with determining the proper sites to analyze and continues with identifying the influential people on those sites. Once you've determined the key opinion sources, you can use automated tools to tag and characterize postings in a content analysis. This allows you to make note of recurring themes and trends. With time and experience, this analysis will identify issues as they are first forming, so that you can formulate responses before an issue becomes critical. The analytic technique of natural language analysis makes it possible to monitor the effects of specific promotions or marketing programs.

McGuire outlined a three-step process for capturing and organizing the information found on social media. First, develop your communication strategy, particularly regarding online communications. This includes setting a strategy for each channel and establishing and maintaining a brand personality through those channels. Second, analyze the data, and proactively manage brand reputation. You need to understand the sentiment that you find across the web, and identify influences for that sentiment. Finally, manage and monitor material you find on social media, making sure to actively react to issues and questions. At the same time, you need to make sure that all information and communications are consolidated and that all activity is summarized into a single file, complete with basic descriptive statistics.

Here are four areas of focus, as explained by McGuire:

- *Brand and market tracking*. This includes such matters as what consumers are saying about your brand and its specific products, as well as comments regarding other members of your competitive set.

- *PR and reputation tracking*. Although this is a similar exercise, it covers a different set of comments, those of journalists and bloggers regarding your firm. In particular, you need to take into account the comments of those whom you've identified as opinion leaders, based on your web analytics exercise.

- *Customer feedback management*. Here you are comparing the overall market perception of your brand against direct customer feedback regarding your properties and service.

- *Online media analysis*. Having collected this information, organize it according to what consumers are saying. Note particularly the most influential sources and which sites tend to be positive or negative, both overall and in terms of your brand.

Types of Analytics

Kelly McGuire, executive director, global hospitality and travel practice, SAS, applies internet analytics to collect and summarize the immense volume of user material posted on the internet.

McGuire shared a framework of analyses that a hospitality firm can apply to the information found on the web, and particularly on social media. They are customer link analytics, content categorization, text mining, and sentiment analysis.

Customer link analytics. One helpful way to assess the flow of ideas and information is to analyze social networks. For this purpose, McGuire has applied network algorithms to the social media network. In this way, it's possible to determine who are the most influential social media users that talk about the brand and who else receives their communications. This is accomplished by influencer scoring, or assessing who is most influential and how are they influential.

Content categorization. Once you've selected relevant sites, you can conduct a content analysis of social media postings. This involves scanning large volumes of documents, and then organizing the information according to categories. Once the content is sorted, you can optimize the research into useful categories.

Text mining. Digging deeper into the categorized material, this analysis seeks to link related concepts, with a goal of identifying major issues. In short, what are people talking about and how are they talking about it?

Sentiment analysis. Computer algorithms can be helpful in determining how people feel about your brand. With this information in hand, you can identify trends over time with a goal of strategically managing your brand's reputation. More specifically, you can identify the effects of specific events. For example, you can tie public relations efforts or particular promotions to guest conversations.

Competitor analysis. Finally, you can compare the sentiment analysis for your brand against that of competitors. With the analytic tools in place, this is relatively easy to do because, once again, the data on social media are all public.

Challenges in Online Surveys: Using a Mixed Mode

Despite the availability of so much information on social media and the ability to analyze that content, formal survey research is still important for acquiring valid management

Chris Klauda, VP of D.K. Shifflet, explained that mail surveys are still necessary for consumer research, since the internet leaves out critical market segments.

Kathryn LaTour, of University of Nevada, Las Vegas, focuses on the importance of providing memory cues that help guests remember their experiences.

Michael LaTour, of University of Nevada, Las Vegas, explained that the hospitality experience is what people *think* they have experienced, regardless of what actually happened.

information. In fact, Chris Klauda, vice president of quality services at D.K. Shifflet Associates, points out that old-fashioned mail surveys are still the most reliable sampling method. Having used a mail panel sampling approach since 1992, D.K. Shifflet samples all aspects of the travel experience in a monthly survey of travelers. Well aware of the availability of online data, the firm wanted to take advantage of online sampling. Its analysis, however, found that online samples so far do not produce results as accurate as mail panel approach. Online surveys struggle to provide a representative sample of the population in part because online sampling doesn't cover the entire U.S. population. Instead, it's available for about 75 percent of U.S. households. Although that's a substantial number, it means that information regarding the other 25 percent is left out. Further analysis determined that the "missing" 25 percent constitutes an important consumer group.

To test the validity of online sampling, D.K. Shifflet conducted mail and online panel surveys each month for a year. The sample size for mail respondents was 51,897, and the online sample numbered 23,085. The survey found substantial differences in the two groups, starting with incidence of travel, which was 33 percent for the mail group and just 17 percent for online respondents. Moreover, the survey found that the internet overrepresents households with incomes under $50,000, and underrepresents business travelers.

For this reason it is essential to make sure that the demographics represented by any survey panel are reflective of target customers, because information garnered only from online sources can present a skewed pattern of data. On the other hand, balanced sources of data require sophisticated sampling techniques. Consequently, it's premature to move completely to online sampling. Klauda concluded that a blended, multiple survey approach can yield valid results, produce cost efficiencies, and increase overall sample size.

Focusing on the Customer Experience: Sensory Exposure

Although people seem willing to bare their souls on the internet (and in mail surveys), asking them personally how they feel about elements of a brand remains a valuable research approach. As explained by Michael La Tour and Kathryn LaTour, both professors at University of Nevada, Las Vegas, the essence of a brand is the experience connected to it. Thus, hospitality firms arex, in effect, selling multi-faceted experiences. Most critically, the experience is what people *think* they have experienced. Remarkably, what they actually experienced may be a different thing entirely. One reason for this is that people are able to perceive only parts of the entire experience, which the LaTours refer to as a "funnel effect."

The LaTours gave an example using a wine tasting. They asked their seminar participants to describe the taste of an unidentified wine sample. After listing the audience's descriptors, the LaTours presented a wine wheel (of descriptive terms) and informed participants that they were sampling a California Zinfandel. When the repeated the description exercise, the result was a more focused description of the wine. However, they noted that by providing possible descriptors and naming the wine, you could sway the taster's view of the wine. That also could happen if you think you especially like zinfandel, or if you try to avoid it. More critically, providing sensory terms to customers helps them retain the memory of their experience. The exercise demonstrates the importance of words used in marketing, which can heavily influence your customers' perception of their experience with your firm. This can be a source of false or implanted memories, which Kathryn LaTour has been researching.

Using the neologism "sticktion," the LaTours suggest that hospitality operators can help their guests remember experiences by focusing on the areas that people remember most, namely, negative events and surprises of all kinds, whether positive or negative. For example, a study of guests at Pizza Hut in the United Kingdom found that one week after their visit to the restaurant, customers often didn't remember events that they had reported immediately after the meal. What lingered in memory were such negative events as wrong orders and long waits, while positive aspects had faded. They did, however, clearly remembered surprises. For this reason, the LaTours suggest that the hospitality industry has moved past the brand experience to focus on the customer experience.

Aligning Business Strategy with Customer Experience

Picking up where the LaTours left off, Laurence Bernstein, managing partner of Proteanstrategies, explained that the goal of brand management is to align business strategy to the customer experience. Noting again that customers easily forget many details of their experience, he pointed to triggers of experience as a critical point. That is, he contends that hospitality firms do not deliver experiences, but instead they deliver triggers to the experience. Experience management and brand management require that hospitality managers determine which triggers are most important. This insight requires a different approach to customer research. When companies use old-style market research, Bernstein believes that much of the resulting spending on brand management is not relevant. One immense change is that people can now search out their own information about the hospitality industry and investigate facts for themselves, whereas they formerly relied on expert opinions and critics.

Rather than look for the numbers found in quantitative research, hospitality managers should dig into the customer's psyche with qualitative research, including neuro marketing and behavioral economics. This kind of study simply reflects that people are human and do not always know what they are going to do (even if they say they do). Ironically, even though people are poor at predicting their own behavior, they are relatively good at predicting what others will do, especially when those opinions are compiled as the "wisdom of the crowd" in prediction markets.

Another aspect of human behavior is that many customers exhibit repeat-purchase behavior that appears to reflect brand loyalty, but may be nothing of the kind. Bernstein said that much repeat purchasing is more due to apathy or inertia. Behavioral economics has also found that customers are not particularly good at computation, so hospitality firms should not make people do the math in connection with their relationship. The consumer information market has been radically upended in recent years, and Bernstein suggests that consequently the industry is asking the outdated questions. Whatever research is conducted, he advises marketers to ensure that customers know that their answers are being listened to.

Laurence Bernstein, managing partner of Proteanstrategies, said that traditional marketing questions will not reveal the full dimension of customers' experiences. Instead, research must focus on behavioral economics, that is, human behavior.

NASCAR Case Study

Although no one would argue that NASCAR is anything but a strong, well established brand, the organization was faced with a mystery of why satisfied customers were not renewing their season passes. The answer is connected to the new reality of brand management, which goes beyond satisfaction to emotional loyalty. NASCAR hired LRA Worldwide to examine why even customers who said they would recommend that a friend buy a season pass did not renew their own passes. Rob Rush, president and CEO, explained that his firm's research determine that satisfaction levels alone were not a sufficient explanation for the fans' purchase behavior. Consequently, LRA brought in a different level of research, by engaging TRG iSKY.

Mirroring Laurence Bernstein's point that people cannot predict what they will be doing in 20 minutes, let alone next week, Cindy Whiteway, TRG senior vice president of client services, said that her research required an entirely different model, one which included customers' emotional view of the brand. The study divided customers into the following four categories: functionally invested, fully invested, uninvested, and personally invested. Those who felt that the company was committed to them and cared about them were personally invested. These were the truly loyal customers. Extending this model to the lodging industry, customers who typically use third-party websites to purchase rooms are

LRA Worldwide began a study of fan loyalty at NASCAR, according to LRA president and CEO Rob Rush. They found that a new research approach was needed, and so they brought in...

...TRG iSKY. Senior vice president of client services Cindy Whiteway focused on customers' emotions about the NASCAR brand, with the goal of identifying truly loyal customers.

either uninvested (bargain hunters) or functionally invested (who appreciate a company for its functionality but are not truly loyal). Needless to say, Whiteway concluded, a firm must identify these personally invested customers and gear marketing strategies toward them.

The Riddle of Loyalty Programs

By investingating customers' commitment, the TRG study was able to identify NASCAR's truly loyal customers, who are extremely valuable. It's no secret that most hospitality firms maintain a loyalty program, and it's a common perception that these programs don't really create customer loyalty, despite the programs' considerable cost. For this reason, researchers Michael McCall and Clay Voorhees have been analyzing customer loyalty programs with a goal of making them more effective by focusing on true loyalty and customer purchase activity. McCall and Voorhees suggested a six-point analysis of loyalty programs, as follows:

1. Reactions to the program (particularly whether customers participate just for rewards);
2. Attitude change (whether people like the company and share word of mouth);
3. Behavioral change (whether customers spend more due to the program);
4. Incrementality (whether program members spend more than non-members);
5. ROI (whether the program provides the required return on investment); and
6. Optimization (how to improve the program).

Assessment of a loyalty program's success must go beyond the simple idea that the program matches what the competition is doing (without regard to return). Instead, an emerging analytical approach involves formal assessment of incrementality and ROI. Beyond that McCall and Voorhees anticipate that companies will calculate their loyalty program's ROI and identify strategic opportunities to optimize return.

Loyalty program quality. McCall and Voorhees conducted two studies to determine whether loyalty programs are effective and, if not, how to make them so. For the first study, they measured customers' perceptions, along with two months of spending data. This included measuring perceptions of brand equity, cumulative satisfaction, loyalty program quality, and share of wallet.

They found the following. First, as the quality of loyalty program improves, the positive effects of brand equity and satisfaction increase. Thus, stronger equity brands see higher ROI. As a consequence, it is essential that customers view a hospitality firm's loyalty program as high quality. Second, consumers do recognize differences between brands' reward programs. However, most loyalty programs constitute what amounts to a coupon effect, because their reward structure tends to attract customers who are looking for the program discounts but are not actually loyal. Looking at quick-service restaurants' loyalty programs, for instance, McCall and Voorhees found that two-thirds of the programs provided "rewards" that amounted to discounts on the QSR's core product offering—and thus at best had no return on investment. Some of these had a negative ROI. On the other hand, those that featured items that customers don't normally order demonstrated a favorable return. Those strong programs did not necessarily increase purchase frequency, but they did result in higher average checks.

Tier optimization in loyalty programs. The second study examined the tier structure of a lodging company that offered three loyalty tiers. Examining eight years of transactional data, including 1.2 million transactions for 100,000 loyalty program members, the study found nine different segments of customers within the loyalty program. Of these nine, one highly valued segment emerged, which McCall and Voorhees termed "The Whales." These customers spent three to four times as much per visit as the next highest group. The researchers also identified two other segments that appeared to increase spending as a result of being program members. However, they found no increase

Michael McCall, of Ithaca College (above), and Clay Voorhees, of Michigan State University (below), found that as the quality of a firm's loyalty program improves, brand equity and customer satisfaction increase. They warned against focusing on price discounts for the company's main product, even though many loyalty program "rewards" do exactly that.

The Fairmont President's Club is a successful loyalty program that focuses on recognizing guests without an emphasis on pricing, said Sean Taggart VP, marketing for Fairmont Raffles.

in spending after enrollment for three-quarters of the loyalty program members.

In conclusion, McCall and Voorhees suggest that hospitality companies need to assess what benefits are missing from their loyalty program and determine what aspects of the program are differentiated from the competition. Tracking spending rather than purchase frequency is key to any analysis.

Loyalty Program Case Study: Fairmont Raffles Hotels

The Fairmont President's Club is an example of a differentiated loyalty program focused specifically on customers' wants. According to Sean Taggart, vice president of marketing at Fairmont Raffles Hotels International, the program's key element is guest recognition. Instead of a traditional points-based system, the program seeks to give specific acknowledgment to the firm's best customers, and give them the best value. At the root of the program is the realization that 89 percent of Fairmont's guests care nothing for a points-based system, while 91 percent highly value recognition. Echoing the research of the Michael and Kathryn LaTour, 95 percent of Fairmont's guests want a personalized experience and consider collecting experiences to be as important as accumulating financial wealth.

With that background, Fairmont President's Club focuses on personalization, recognition, and convenience. Benefits are organized around experience, including expanded benefits and guests' passions (such as food, wellness, and sports). Taggart noted that the most popular perks reflect the guests' need for convenience—namely, advance check-in and late booking availability. In closing, he suggested the following four drivers of consumer behavior: **(1)** the health lens and "forever young" mentality, notably on the part of baby boomers who will spend money to stay young; **(2)** the culture of impatience, caused by perceptions of time poverty and placing a focus on convenience; **(3)** the "good citizen" motivation, which causes customers to seek sustainable products and companies, social responsibility, and authenticity; and **(4)** the diaspora phenomenon, in which customers segregate themselves into groups that are identified by central passions (most notable on social media sites).

Spa and Cruise Loyalty Drivers

Based on his extensive research Jim Coyle, founder and president of Coyle Hospitality, has compiled the drivers of satisfaction and loyalty for spa and cruise customers. Coyle Hospitality provides market research and mystery shopping services. He again underlined the importance of experience as the definition of wealth—and as the chief product of the hospitality industry. Likewise, he emphasized the essential nature of personalization. To that end, he suggested that the loyalty programs of spas and cruise lines allow these companies to provide their customers exactly what they seek. Casinos have become noteworthy for using these principles in developing their loyalty programs.

Spa survey. For the spa survey, Coyle compiled spa information from such websites as SpaFinder, various search engines, and Facebook. He found that fewer than half of spa websites offer detailed treatment descriptions and prices. In a global survey Coyle asked seasoned purchasers to list their best and worst experience at spas. Although we think of the hospitality industry as a "people" business, the spa customers mentioned the product as the best part of their survey

Jim Coyle, president of Coyle Hospitality, surveyed customers' best and worst experiences aboard ship and at spas. He found that food-service was at the top of both the "best" list and the "worst" list for cruise passengers.

Steven Brandman, co-owner of Thompson Hotels: Branding is more than just a name. It expresses the benefits that are provided to customers. Managing the brand is about meeting expectations.

A brand conveys a promise, said Cornell Professor Robert Kwortnik. Brand managers must identify the touch points and experiences that fulfill that promise.

far more often than people or price. Indeed, the people were most often cited in connection with the guests' worst experience, which was that the customer was in pain the next day. The most frequently mentioned best experience was that people felt relaxation and effectiveness from their treatment. As a side note, people preferred e-mail for any follow-up contact.

Cruise industry survey. Again, for the cruise industry survey, Coyle asked seasoned customers what they most liked and most disliked about their last cruise. Food and beverage came to the top of both the negative list and the positive list. Other negative factors were the public areas and facilities and the fact that people felt they were being nickeled and dimed to death with so many onboard revenue centers. In addition to F&B, the other positive factors were the high quality entertainment and the overall atmosphere of the cruise ship. The following attributes did not contribute a positive impact: the before-sailing experience (ticket purchase), departure, health and safety concerns, onboard revenue centers and outlets, the spa, and the boarding process. In conclusion, Coyle said that market segmentation is essential for cruise lines because of the mix of individual consumers and groups on board.

Brand Management for the 21st Century

A hospitality company that has a firm knowledge of its customers' characteristics and needs through research and analytics is in position to develop and maintain a premier brand. The essence of a brand is a promise of benefits for using that brand—benefits that resonate with particular groups of consumers. In a seminar on building hotel brands, session chair Steven Brandman, co-owner of Thompson Hotels, explained the unusual brand promise of his hotels, presenting an archetypal example of brand development. As is the case with many companies, Thompson Hotels welcomes customers in broad age range. He observes that having customers of varying ages offers broad perspectives, which reflect the type of clients Thompson attracts. Branding is not just about a name, he concluded, it's what is provided to customers, meeting expectations.

With that introduction, Cornell Professor Rob Kwortnik presented his brand management framework.[2] As was noted in previous sessions, he pointed out that the 20th century notion of a brand (based on product and service attributes) has evolved in this century into providing experiences that customers seek. In keeping with the research presented by the LaTours and by Laurence Bernstein, this 21st century brand operates subjectively, and is dependent on customer psychological and sensory perception. All of these factors combine to create an experience. The good experiences connected with a brand induce emotions, create meaning, and make memories.

Kwortnik suggested that a helpful metaphor for a hospitality brand is that it is like a gift that contains experiences, emotions, and memories. The brand image involves how to wrap those benefits and to present that gift to guests. Research has established that a brand's equity is based on meanings that customers ascribe to a brand. These meaning are the starting point for the framework for strategic branding.

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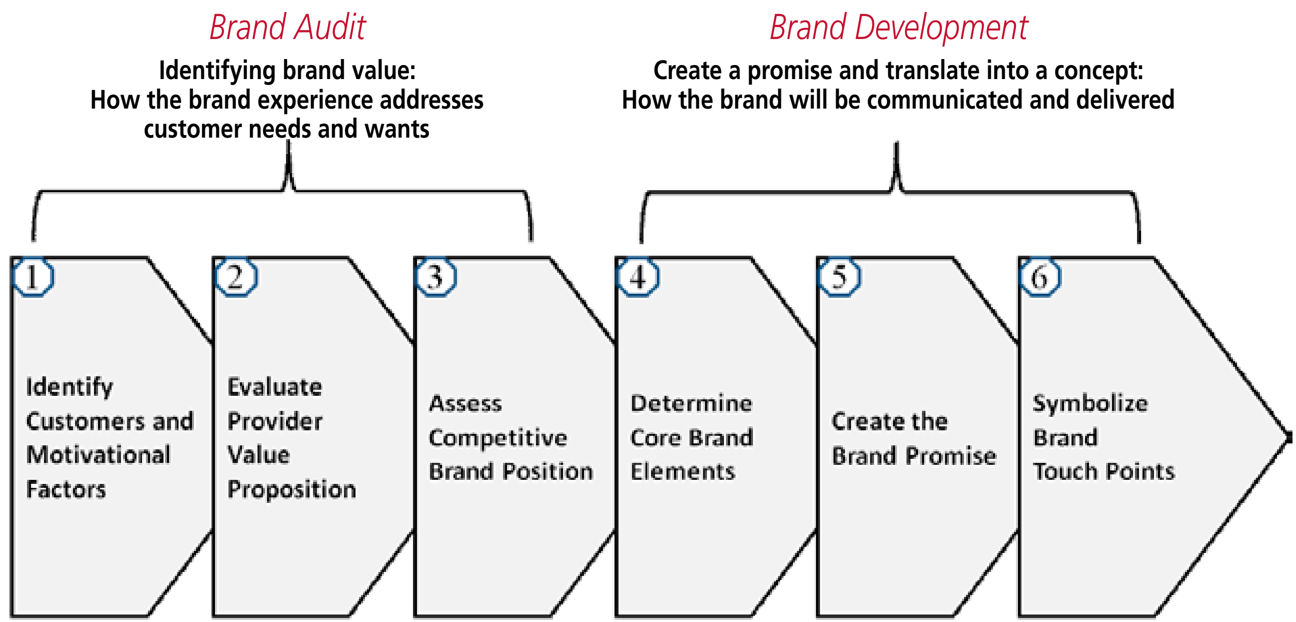
2 For a detailed discussion and application of this framework see: Robert J. Kwortnik and Ethan Hawkes, "Positioning a Place: Developing a Compelling Destination Brand," *Cornell Hospitality Report,* Vol. 11, No. 2 (January 2011). Cornell Center for Hospitality Research (www.chr.cornell.edu).

Exhibit 1

Process framework for strategic brand development



Note: Framework developed by Robert J. Kwortnik. See: Robert J. Kwortnik and Ethan Hawkes, "Positioning a Place: Developing a Compelling Destination Brand," *Cornell Hospitality Report*, Vol. 11, No. 2 (January 2011).

Kwortnik's brand model starts with the idea that brand development must be data driven, including research on what experiences people seek, what the brand can offer, and how competitors meet those needs. A brand audit establishes how the brand addresses customers' needs and wants, which can be thought of the brand's value (or utility). The audit also identifies customers' motivations, evaluates the brand proposition, and assesses the brand's position relative to the competition. With that information in place, the brand can be developed. This development process creates the promise and translates that promise into a concept—including how the brand will be communicated and the value delivered. This analysis must specify core brand elements and key touch points—distinctive elements offered by the brand.

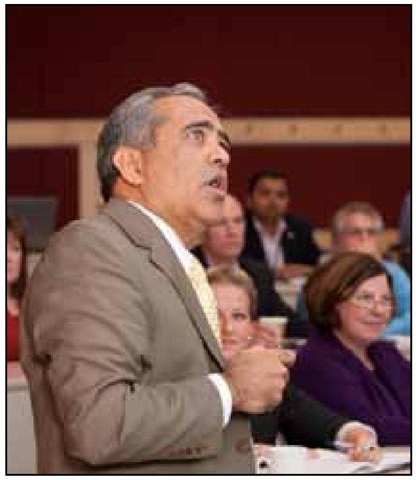
Maintaining a Strong Brand

Paolo Torchio, vice president of e-marketing at Sabre Hospitality Solutions, offered another reason for strong brand management. He suggested that brand management is more critical in the current environment than in past decades because of the many communication channels that customers might follow to find the brand (or fail to do so). Some channels will result in a booking, but others are simply distractions. A well managed brand can take advantage of the many possible booking channels by placing booking opportunities in place no matter which channel a customer pursues. Thus, a brand manager must use electronic channels in addition to traditional methods to meet the customer and manage the brand at all contact points.

Since consumers have an electronic network at their fingertips, they checks several websites before making a transaction, during which they compare prices and read reviews. In most cases, they then return to the brand website or an online travel agent (OTA) to make a reservation. However, numerous sites have become brand mediaries, which represent other brands. These include not only the OTAs, but social media sites, review websites, and mobile apps. The slippery slope for owners of the brand involves the diminishing extent of control regarding their brand message as customers post comments about their experiences. For this reason, consistent brand management is essential to prevent customers from losing sight of the brand's core promises.

Hold fast. The importance of brand consistency was underlined by the research of Cornell Professor Chekitan Dev, who examined the positioning of brands in their competitive set over time. Looking at numerous brand characteristics, Dev found that some brands' positioning remained consistent during the study, while other brands tended to waver. He found that the consistent brands survived crisis periods better than the brands that changed their promise to be the "brand du jour."

Paolo Torchio, vice president of e-marketing at Sabre Hospitality Solutions, said that brand management is more critical than ever, given the many communication and distribution channels available to customers.



Having studied brands for over two decades, Cornell Professor Chekitan Dev found that the most successful brands remained consistent, regardless of the external environment.

Rick Garlick, senior director of consulting and strategic implementation for Maritz Research, emphasizes that customer contact during the service process can be the most critical element of brand management, which makes employee training essential.

One other aspect of branding involves brand extensions. Acknowledging that customers seek more choice, many lodging brands have inaugurated brand extensions in different product tiers or market segments. Dev's research found that this tactic works only up to a point. After about three extensions in the leisure and the business segments, the brand is subject to dilution.

Customer Contact: Branding's Most Critical Aspect

Although one might not think of operations as part of brand management, the fact is that the customer sees the brand through the lens of the basic service transaction. Given that the hospitality firm is creating the opportunity for a guest experience, it's important for the core transaction to support that experience—and the brand promise. Rick Garlick, senior director of consulting and strategic implementation for Maritz Research, points out that it hasn't always worked that way. While he has seen many socially responsible companies, others didn't walk the talk, and thus squandered their popularity, both among customers and employees.

Garlick proposed the following five key points—the "Five Cs"—to ensure that the company treats employees appropriately, so that the service transaction supports the brand.

(1) *Clear mission and vision*. If people feel strongly enough to get behind the corporate mission, they will attract people who have the same alignment.

(2) *Communicate with conviction to build trust*. Make sure especially to communicate all the good things going on in the company. However, management should maintain transparency, honesty, and open dialogue. Above all, don't keep the employees in the dark.

(3) *Connect with personal values*. Despite the fact that we are all individuals, we shouldn't be afraid to connect people to solidify the team and help employees feel like they're part of something bigger.

(4) *Consistency*. Make sure the company is always aligning the measurements and incentives with what it says in internal and external branding.

(5) *Celebrate success*. People need to feel valued. Silence makes people uneasy, and Garlick believes that people need that constant reinforcement so that they know how they're doing.

Details Count

As a concluding point on how tiny details drive major decisions, Garlick pointed to a study that highlighted the number-one reason people chose to stay or not stay at a hotel. Neither price nor location was the major driver of hotel choice. Instead, the bottom line was whether the hotel was clean. For this reason hotel brand managers cannot ignore the people who do the day-to-day functional jobs. Attracting the right employees means creating powerful customer relationships which create value for the organization. ■

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