

Brands and Mergers

Brands Are More Than A Promise; They Are A Guarantee

Right now, the hotel industry is experiencing a virtual gusher of new brands. There are so many new faces on the logo tree that even as a keen observer of our niche in the world, I am having difficulty placing what brand goes with what house. I imagine that launching a new brand registers some excitement in the corporate head office, adding a somewhat pleasant diversion for the c-suite executives from the real work of fighting the real issues such as the encroachment of alternate lodging providers, elusive millennial travel desires, waning loyalty or the market domination of the OTAs.



While these new brands offer intriguing 'lifestyle' bolt-ons such as improved lobbies, fancy cappuccino makers and shiny exercise facilities, lost in the designer mirage is the need to focus on the brands that got us to this point in the first place. For a moment, let's address those core brands: Marriott, Hilton, Intercontinental, Starwood, Wyndham and so on. These are all well-known, consumer trusted and proven products.

Is it just me, or is the hotel industry just hoping that these established brands will just go away? When was the last time we heard of a refocus on these venerable 'core' brands rather than the new 'toy' brands? My issue is that these core brands already have a 50 year head start, and in this fast and crazy world we live in, attempting to introduce something new is incredibly hard. For example, ask any non-hotelier what a Tru or a Centric property is and you will likely get a puzzled look. Better the devil you know, as they say...

Ergo, here are some of my suggestions for the corporate hotel world. I make these unilaterally, as I am not in any way connected with any of these concerns. I don't even own shares in any of these publicly traded companies.

1. **Don't throw out these old brands, reinvest in them.** Some of these brands have 40 or 50 (or more) years in the marketplace. They have attained levels of brand recognition that in today's internet world would be impossible to recreate. Aside from accrued reputation and product awareness, they also have decades of internal wherewithal to build upon.
2. **Hold your brand values sacrosanct.** Simply put, if operators does not live up to the standards, turf them. Period. No exceptions; no grace period. Remove your brand and take the product off your corporate website. Upholding your brand is an imperative now because consumers have so many options that one little slip can mean a lost customer for life. Add to that the fact that a single bad property reflects poorly on all others in the brand and you have yourself a major reason to reassess your franchisee contracts.
3. **Advertise your brand promise.** Advertising creates imagery for the consumer that excites and builds anticipation. Advertising also creates awareness and builds value in the brand. It reinforces with your franchisees the corporate commitment to build revenue.

As the ultimate challenge, I dare a brand to say that they have a money back guarantee. Something like, "If we fail to deliver x,y and z then tell us how we failed, and if you booked through our corporate website, we will refund your accommodations." Of course, let your franchisors know they're on the hook for failing to deliver. Post the guarantee on your site as yet another reason why booking direct is the way to go.

To conclude, it's time to take the corporate gloves off. If we are to survive as an industry and keep our brands intact in the face of so many tech-born disruptors, we need to get serious about our products. Adding new brands is an ingenious corporate smokescreen but ultimately fails to address the needs of the core brands.

These newer toy brands may work in the short-term, but I foresee doom in the long run if we don't collectively reinvest in the core brand names that made our industry great. Brands are designed to be more than just a promise, but a guarantee of quality. Right now, all we are guaranteeing is that we will confuse the average consumer.

(Article by Larry Mogelonsky, published by [Hotel Interactive](#) on April 5, 2016).