Reas M. Kondraschow
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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)

Asia Pacific

China  Japan  India  S. Korea

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

The Key Global Hotel Groups

<table>
<thead>
<tr>
<th>Hyatt</th>
<th>InterContinental Hotels Group</th>
<th>Accor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starwood</td>
<td>Wyndham Hotels &amp; Resorts</td>
<td>Marriott International</td>
</tr>
<tr>
<td>Choice Hotels International</td>
<td>Best Western</td>
<td>Hilton Hotels Corporation</td>
</tr>
</tbody>
</table>
Business & Leisure Travel

- Economic Growth
- Financial
- E Commerce
- Facilitators

Brand Essence Wheel

ESSENCE
"An Upgrade"
Quality at a fair price

PERSONALITY
You take good care of yourself
I'm part of the in crowd

IMAGE
International
Middle Management

ATTRIBUTES
Inexpensive
Affordable
Good Distribution
Convenient
Consistent

You're unpretentious
You have good taste
You're value service
You are trendy or stylish
Price does matter

WHAT IT SAYS ABOUT YOU

HOW IT MAKES YOU FEEL
They know what's important to me
Comfortable
I deserve it
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

<table>
<thead>
<tr>
<th>Hotel Brand Attribute Importance – Business Traveler</th>
<th>UK</th>
<th>Germany</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent giving a score of 8 – 10/10 (Rank)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfortable room, suitable for relaxing in/working</td>
<td>80(1)</td>
<td>84(2)</td>
<td>87(1)</td>
</tr>
<tr>
<td>Friendly, helpful staff</td>
<td>80(2)</td>
<td>86(1)</td>
<td>87(2)</td>
</tr>
<tr>
<td>Excellent staff service</td>
<td>79(3)</td>
<td>73(4)</td>
<td>83(4)</td>
</tr>
<tr>
<td>Has hotels in places I travel</td>
<td>77(4)</td>
<td>58(9)</td>
<td>76(10)</td>
</tr>
<tr>
<td>Provide good value for price paid</td>
<td>63(9)</td>
<td>75(3)</td>
<td>82(5)</td>
</tr>
<tr>
<td>Food &amp; Beverage of excellent quality</td>
<td>70(7)</td>
<td>71(5)</td>
<td>86(17)</td>
</tr>
<tr>
<td>Hotels in group provide consistent quality and standards</td>
<td>75(5)</td>
<td>63(6)</td>
<td>79(5)</td>
</tr>
</tbody>
</table>

Source: EOTCO Hotel Business Guest Survey 2008
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

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