



W HOSPITALITY GROUP
Plot 10, Babatunde Crescent
off Oniru Market Road
Lekki Phase I
Lagos, Nigeria
Tel: +234 803 321 0646
www.w-hospitalitygroup.com

HOTEL BRANDS

JUNE 2016

A Proliferation of Hotel Brands!

Once upon a time there was Hilton and Sheraton and Marriott. We knew where we stood with them, a Hilton was a Hilton, a Sheraton and Sheraton, and so on. Then they started widening their horizons, becoming global players, and expanding the number of brands in their portfolios. According to their websites, between them those three hotel chains now have no fewer than 41 brands between them! And that doesn't include their vacation ownership brands, such as Marriott Vacation Club.

41 brands. That's a lot, huh? According to some commentators, the 10 largest global chains have almost 120 brands between them – that's a lot! Is it any wonder that there is not a single hotel brand in the Forbes list of the Top 100 most valuable brands?

Brands evolved from being a product's identifying mark, or brand name, meaning that you could tell who owned a particular cow in the herd, and that Coke was that bottle full of brown liquid, not the other one on the shelf. Today, thanks to the marketing guys, they have become a self-identifying message – if I buy that product or service, then I am hip, successful, rich, all of the above. Marketers were seeking to create perceptions in customers' minds about the product or service, with the brand supposed to "tell" the customer what to think about it. Look at the names they give perfumes – Allure, Obsession, Flirt, So Pretty. You get the picture, they're not exactly subtle, are they!

Hotel brands are trying to describe something much more complicated than a little bit of liquid in a strange shaped bottle. And I wonder if they actually ever succeed. Take a piece of paper, and describe the difference between the customer experience in a Marriott, a Hilton and a Sheraton. Difficult, huh? Could anyone do it for each of those chains' 41 brands? Nah! The names, two of which come from the individual founders, don't mean much in themselves, unlike the perfume brands – that is, they don't exactly convey what the chains want you to relate to (try looking up the meaning of "Hilton" and "Hyatt" in urbandictionary.com, and you'll see what I mean!).

The hotel chains have expanded the number of brands they offer very rapidly – 30 of those nearly-120 brands in the top 10 chains didn't exist a decade ago. And it seems that they are doing so for two main reasons.



First, there's the customers' needs. Well, that's what the chains tell us. Millennials, we are told, need a different hotel product to what the Baby Boomers are happy with, because they were born after 1980, so brands such as Marriott's Moxy, Hilton's Tru and Starwood's aloft are specifically targeting that market. Well, Tru calls itself "cross-generational", catering to the "millennial mindset", so in other words it's for everyone, regardless of vintage. Anyone with a millennial mindset. Which is what exactly? Totally digital, look at all the choices available on line, and, um, lacking in loyalty to any specific brand? (Just kidding!)

Second, there's the need for growth, which by and large the hotel chains will only achieve by adding more hotels. Thus brands get added to the portfolio to avoid cannibalising the business of an existing hotel, so you put Brand Y in instead of another Brand X, or you put Brand Z onto a hotel that doesn't meet the brand standards of Brand X or Brand Y. Then you look at the extended stay market, and the different STR chain scales, and the number of permutations gets – well, gets to 18, if you're Marriott, who still have a way to go, I am sure!

Oh, the choice these days! Not in most places in Africa, yet, but certainly in some cities such as Johannesburg and Cape Town, and increasingly in Nairobi, Lagos and one or two others (watch Kigali and Addis Ababa in the next couple of years). And the chains are selective about which of their brands they will bring to Africa. Hilton, for example, will take on hotels in sub-Saharan Africa which fit only a few of their 12 brands, including Conrad, Hilton, Doubletree and Hilton Garden Inn. As ever there are exceptions, a CURIO is coming up at the airport in Lagos, but I'm not convinced we'll see a Tru here just yet.

Choice can be a good thing or a bad thing. In the supermarket the other day, I counted no fewer than 14 different sub-brands of a well-known toothpaste, and 16 of a leading hair shampoo (they used to have 25, for goodness sake). Yup, the hotel chains are not alone. But choice can be mind-numbing, can't it, especially those of us who are "maximisers". A "satisficer" will look at the choices, say "that'll do me" and pick the one nearest to them. Maximisers need to look at every option, what it is for, how much it costs, etc. etc. and make sure that they pick the one that exactly meets all their needs, is the best value for money, the right choice. Anything else from all those options would be wrong. Same with everything, from toothpaste through restaurant menus to hotels.

Well, the brands are there, each of them shouting as loudly as possible to get our attention. How do you choose your hotel?

Trevor Ward
W Hospitality Group, Lagos
trevor.ward@w-hospitalitygroup.com