

# Case study on business

Business, Company



## **Business**

Corporate branding is the use of a company's name and already-built reputation and general perception to market oneself. This usually happens when a company has many branches to tap different markets, or when a company franchises its brand and name to interested companies.

From the case study, Lilypad's Hotels Company has been in business for two decades, and has branched out in the USA, Middle East and recently in San Francisco, South America, and has 12 boutique hotels worldwide. When a company spreads out its wings to branch into many sub-units, there is always the temptation to break out into being independent branches with their own branded identity. According to research, the notion by many managers and Executive Officers is that there will promote diversity and thus consequential success of the business. This is seen as an opportunistic way of creating a business empire, and has failed in many occasions. This is the kind of dilemma that Lilypad Hotels Company is going through right now.

From my point of view, the hotels should not branch out and market themselves as independent brand; rather, they should still remain to be a company by brand. The point of argument is because the marketing team conducted a survey that showed that Lilypad's loyal customers did not visit other hotels branded by any other name, even when the other hotels were branches of Lilypad. In fact, only 5% of their loyal customers had stayed at other hotels. This is a good indicator that Lilypad Hotels' company has marketed itself well as a branded company.

Secondly, one advantage of marketing oneself as a branded company compared to as an individual unit is that there will be sharing of certain

resources and advantages. This has been seen with the likes of Four Seasons and also with the Ritz-Carlton, whereby the two units enjoy cross-property exchange rates of 10-15%. This way, they are able to serve their current customers as they reach out for new ones within the potential market base. As marketer Abby argues, increasing finances set for cross-property exchange would boost the hotel's performance, and this will be advantageous because all the hotels will develop, unlike in concentrating on some hotel branches, leaving out the others.

There is also the argument that marketing Lilypad as a company brand will be better because even the foods and beverages and other items will be ordered collectively and in bulk for all the hotels, unlike when every hotel has its own marketing and therefore finance control unit. From the description, it is also evident that there are numerous independent hotels in Rio as well as in the USA. The branch in Rio is only three years old. Marketing itself individually will therefore be an uphill task, compared to when the entire marketing team of Lilypad Hotel Companies is doing the marketing. That way, as Monty admitted at the Serene Beauty, they can stand the better chance of benefiting from operational improvement.

From the statistics collected from all the Lilypad hotels across the globe, more than 1,500 rooms and 115,000 guests were being served daily. This brings up a profit of \$750 a day. This amount will help in developing these hotels and by any chance if one of the hotel branches needs an urgent funding, it will be easier to get a loan from the main kitty, compared to when it brands itself independently and in this case it will have to look for other means of financial support. It is through being a consolidated company that

it has been able to keep rising and developing steadily in a period of four years.

Finally, the good thing about branding themselves under a corporate brand is that it will still let Lilypad hotels' general managers promote their hotels' unique images as they see fit. The reason is because marketing under the corporate brand will only act as a guideline to the individual branches, and not as a restrictor. It will also act as a solid backing due to the company's reputation.

## **SWOT Analysis**

### **Strengths**

From the case study, we can point out that the biggest advantage with Lilypad Hotels is that they have an established brand and therefore rake in a lot of capital per day (\$750). This will enable the hotel to market them because they have the finances to boot they promotion and marketing strategies.

Secondly they have many branches in many different countries and this enables them to tap more customers compared to other hotels across the globe, especially in the places where they have branches. They therefore have the forehand advantage.

Thirdly, having many branches in many countries will have the implication that they offer different cuisines according to the preference of the local customers. They also have themes in reference to the respective countries. This enables them to have many customers from the individual countries. All these strengths will act as advantages on their side and will enable them tap more market when they fully market themselves.

## **Weaknesses**

The main weakness about the hotels is that in Rio, the hotel was established three years ago and therefore it will be an uphill task to compete with the already established hotels in the city, especially if they decide to market themselves independently as a brand on its own.

The second probable weakness is that by offering indigenous cuisines in the respective countries may not be wholly preferred by foreign customers from other countries for example, who may go into the hotel expecting to eat the same food and cuisines the hotel offers on their menu in the customer's respective country.

Though the hotels have the potential to grow and develop as individual brands, the above analysis shows that it will be better when they brand themselves as a company, because the biggest threat they face is competition in their individual countries/ states of operation. Therefore, Lilypad Hotels should market themselves as a corporate brand rather than as individual brands.