

# Banyan tree branding the intangible

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Banyan Tree Branding the Intangible Abstract Banyan Tree Hotels and Resorts had become a leading player in the luxury resorts and spa market in Asia. As part of its growth strategy, Banyan Tree had launched new brands and brand extensions that included resorts, spas, retail outlets, and even museum shops. Now, the company had to contemplate how to manage its brand portfolio and expand its business while preserving the distinctive identity and strong brand image of Banyan Tree, its flagship brand. Case Questions 1. What are the main factors that contributed to Banyan Tree's success? 2.

Evaluate Banyan Tree's brand positioning and communications strategies. Can Banyan Tree maintain its unique positioning in an increasingly overcrowded resorts market? 3. Discuss whether the brand portfolio of Banyan Tree, Angsana, Colours of Angsana, and Allamanda, as well as the product portfolio of beach resorts and city hotels, spas, galleries, and museum shops fit as a family. What are your recommendations to Banyan Tree for managing these brands and products in future? Discussion of Case Questions 1. What are the main factors that contributed to Banyan Tree's success? Banyan Tree's success might be attributed to an overall well designed and executed external and internal marketing program, and in particular:

- Choice of target segment
- Positioning and branding strategy
- Product/service design and delivery
- Aggressive internal marketing
- Winning the support of local communities and public interest groups
- Pioneer status: first mover advantage
- Pro-environmental business practices

Choice of target segment The large price gap in the luxury resorts market meant that middle upper class consumers must either stretch to pay

for ultra luxurious resorts such as Aman, or settle for resorts, though luxurious, are catered to the masses. He recognized the business opportunity presented by the gap in the resorts market: there was room for something pricier and more exclusive that would better cater to these middle upper class consumers, who had better spending power than had the average consumer in the mass market, and would be able to afford and willing to pay for a more exclusive premium service offering. Moreover, as a result of today's generally more hectic and stressful lifestyles, many well-to-do couples would appreciate Banyan Tree's value proposition of a memorable, romantic holiday experience that would both provide relaxation and create quality time for them to spend quiet moments together. Positioning and branding strategy Although Banyan Tree's service offering was unique when it was first launched, this would not be a sustainable competitive advantage, as most tangible products could be easily copied by competitors.

Establishing a strong service brand, however, would serve to distinguish Banyan Tree from competitors when they do jump on the bandwagon. Positioning as a sanctuary for romance and intimacy was well thought out, these being timeless attributes valued by many couples.

A clear brand promise of romance and intimacy, which the company consistently delivered, also helped it achieve a clear and distinctive market position. That the company consistently delivered on its promise further reinforced what Banyan Tree stood for in the minds of its customers, thereby building both brand loyalty and emotional bonds. Product/service design and delivery The luxurious villas and distinctive native settings provided an excellent backdrop for guests to create memorable holiday experiences.

Service employees were warm, sincere, and respectful; knew guests by their names; and remembered their preferences. Such personalized service delivery warmed guests, and helped them feel comfortable and relaxed, contributing to the entire customer experience. This was further enhanced by the feel-good factor that guests' patronage helped to contribute to various social and environmental causes. Repeat patronage was also encouraged by the different services offered at different locations, which gave satisfied guests an added incentive to visit Banyan Tree resorts around the world, to experience authentic flavors and practices of various local communities. As employees were given freedom to decorate the villas and in serving guests, even regular guests of a particular resort would have a different experience and may be pleasantly surprised every time they checked in. Such practices, together with continual service innovations, kept the Banyan Tree experience fresh and interesting. The whole Banyan Tree experience was engineered to appeal to one's senses, giving guests a unique value proposition unlike the regular room stays offered by competitors then; such a service feature was also difficult to imitate, and successfully set Banyan Tree apart from other resorts in the market. Satisfied guests not only became loyal customers but also helped spread positive word-of-mouth, which in turn gained the company new customers. Aggressive internal marketing Generous staff welfare policies created a strong sense of brand ownership among employees, which motivated them to achieve service excellence. Service staff served guests with passion and sincerity that could not be bought or easily copied by competitors. employees may not always provide the standard service across all the resorts nor always similar to that

commonly found in five-star establishments in developed countries, their friendly and respectful attitudes towards guests more than made up for it and actually provide an element of surprise even to the most regular guests. Winning the support of local communities and public interest groups The company's considerable investments in conserving/preserving/promoting the social/cultural/natural environment beyond what was required of the company (without sacrificing on service quality) showed proof of corporate ethics that were driven by the management's personal values. Such acts projected the Banyan Tree brand as being caring and sincere, consistent with its positioning of a romantic brand. Overall, Banyan Tree was viewed by guests, staff, local communities, and public interest groups as a warm, sincere, caring, ethical, and responsible company. Even when guests wander beyond the resorts' compounds, the genuine feelings of hospitality and appreciation showed by the local communities at the villages made guests felt welcome and at home, making the entire stay pleasant and memorable. Such service capabilities were extremely difficult for competitors to imitate, requiring lots of investments in time, effort, and money by the firm to gain the trust and respect of both staff and the local community alike. Pioneer status: first mover advantage At a time when clinical spas were the norm,

Banyan Tree invested in tropical garden spa pavilions, pioneering the concept of tropical spas and Asian therapeutic massages, a novelty which proved to be popular. Being the first in the market gave them a head start in penetrating the market. The lack of competition in the beginning also helped in consolidating the company's position in the spa and resorts market.

Establishments that were interested in providing similar spa services

naturally approached them to establish an outlet in their premises, which helped further promote the concept of tropical garden spas beyond the regional markets.

Pro-environment business practices Although being environmentally conscious sometimes resulted in costlier business decisions, for Banyan Tree, a major part of the resorts' attraction was in the natural beauty of the location in which the villas were located. So, it made economic sense to protect and preserve the resorts' surrounding environment to ensure that it remained an attractive tourist destination in the long run, or as Banyan Tree put it, " to prevent today's darling from becoming tomorrow's has-been. " Such pro-environmental business practices also generated a lot of positive publicity and won the company several awards, and these not only helped increase the brand awareness of Banyan Tree but also generated much interest among potential customers. At the same time, the company got the support of various public interest groups, such as environmentalists, and this saved the company from having to deal with any potential trouble that might have arisen from their development of the natural habitats of various flora and fauna for business purposes.

2. Evaluate Banyan Tree's brand positioning and communications strategies. Can Banyan Tree maintain its unique positioning in an increasingly overcrowded resorts market?

Brand positioning is timely and appropriate in today's hectic and stressful lifestyles Banyan Tree was positioned as a sanctuary that offered couples an exclusive romantic and intimate holiday experience. Positioned on such timeless attributes as romance and intimacy between couples, the

positioning is timely and appropriate in today's increasingly hectic and stressful lifestyle, where many couples are busy with their careers and have little time to spend together. Banyan Tree's offering of an avenue to get away from it all and spend quality time together while relaxing and de-stressing would appear to be valued benefits sought by today's busy couples. Being the first and only resort to be positioned as such, Banyan Tree occupied a unique position in the luxury resorts market when it first started. Focused promotion efforts with minimal wastage Banyan Tree's communications program focused mainly on public relations and publicity, and direct marketing through its web site and sales offices that targeted wealthy consumers, with little emphasis on advertising. As advertisements were selectively placed in only high-end travel magazines that targeted the higher income and more sophisticated segment of the market, a stage in advertising exposure is minimized. Showcasing the awards and accolades won credibly enhanced the brand's reputation. Promotion through agents specializing in exclusive holidays adequately exposed Banyan Tree to its target segment of wealthy consumers. Efforts at obtaining and increasing editorial coverage on Banyan Tree both increased brand awareness in the industry and helped to sell the "Banyan Tree experience" credibly, coming from a neutral third party. Much positive publicity and public interest was generated as a result of the company's investment in pro-environmental business practices, such as sponsoring various environmental conservation programs and community outreach programs. Besides being viewed as a caring and pro-environmental company, such publicity also drew attention to the natural beauty of the resorts and their environments, which helped

the company to advertise its villas. Unique positioning sustainable? Whether Banyan Tree can maintain its unique positioning in the market would depend on how well it can keep its identity distinct and prevent competitors from encroaching into its turf. Generally, the positioning of providing romantic and intimate holiday experiences is not difficult to imitate; so is the concept of individual villas and any tangible offering. But, the overall service experience at Banyan Tree can still be unique, given its location specific service offerings and the uniqueness of the natural environment that Banyan Tree resorts are located. Although service innovations can be copied easily, the personality of a brand is less so, and the same can be said of the attitudes of staff and the local community at the resort destination, as well as the genuine feelings of hospitality shown towards guests. Banyan Tree had tried to appeal to “the senses,” focusing on the overall customer experience and working on what the customer will ultimately bring home—memories. Judging from its success so far, it appears that even if competitors come up with similar lower-priced service products, it is unlikely that they would be able to replicate the total Banyan Tree experience so quickly. Perceptual mapping could be used to visualize the market positions of Banyan Tree and its sister brands relative to competitors in the industry. An example of a positioning map with the attributes price level and romantic versus sporty image is shown below: 4.

Discuss whether the brand portfolio of Banyan Tree, Angsana, and Colours of Angsana, as well as the product portfolio of beach resorts and city hotels, spas, galleries, and museum shops fit as a family. What are your recommendations to Banyan Tree for managing these brands and products in



future? From luxurious six-star Banyan Tree resorts to small, individual Colours of Angsana branded hotels in exciting locations, these properties were bound together by one central theme: the romance of travel and the beauty of discovering the world. Banyan Tree targeted the higher end of the luxury resorts market

Angsana was more mainstream and contemporary, targeting the wider market. The Colours of Angsana range of boutique hotels catered specifically to the soft adventure tourism segment, locating in remote and exotic places that cannot justify the premium prices charged by Banyan Tree villas. The various brands thus served to cater to different segments of the hotels and resorts industry, made distinct by price and benefits offered. The city hotel was also positioned similarly on romance and intimacy although it additionally catered to business travelers. There is a heavy emphasis on spa, designed to provide an escape from the hustle and bustle of the city. It also offered various getaway/wedding packages for couples to indulge in romance and intimacy. The various facilities, such as spas and retail outlets, found across Banyan Tree resorts, were also available at Banyan Tree Bangkok. In particular, the hotel had an open-air rooftop lounge, Vertigo, at the top of the building, where guests could get a good view of the city; the lounge could also be used to host wedding receptions and other parties. Four broad product lines: accommodation, clubs, spas, and retail outlets. Banyan Tree's products and services could be classified into essentially four product lines: hotels and resorts, clubs, spas, and retail shops, under various brands and sub-brands. Banyan Tree's properties and spas could be classified under the business of travel and leisure. The retail shops augmented and helped to

extend the overall service experience through the sale of products that consumers might use at home to replicate and remind them of the Banyan Tree experience. Also, the arts and crafts sold at the shops not only served to reinforce Banyan Tree's brand personality, but also fitted in the travel industry, with the sales of indigenous products that tourists could buy as souvenirs. Achieving branding consistency through management by brand Management of the portfolio by brand would achieve more consistency in branding and positioning, and also make it easier to cross-sell and bundle products, although such an arrangement would require duplication in resources for various functions. Target customer Banyan Tree focused on its target customer segment which was high-end wealthy customers looking for exclusive luxury holidays. Banyan Tree knew exactly which customers they wanted to target and carried out its brand positioning accordingly.

AdvertisementThe advertising was very minimal to maintain exclusivity" and it was carried out in top-of-the-line travel magazines that targeted its preferred customer segment. It never went in for a mass market strategy by selling through wholesale and retail agents. It became so successful and profitable owing to the fact that it ended up knowing its target customers so well, it met their needs better than other giant chains such as Hilton and Shangri-La. Brand Identity -Brand value / ethics / CSR : Environmental friendly, preservation of eco system, bio- degradable products, customer focus, -Brand Associations / Personality : Caring, Romance and intimacy, social and sensitive, private, cultural and authentic, -Brand Vision - sanctuary for the senses, building a necklace across the world -Brand Positioning (Category, POD, POPs, Value Prop) -POD : Pricing, experience - intimate

moments, private pools, spas and art gallery, building memories, romance, CSR, customer involvement(environmental preservation), sense of place (different place -> different experience) -POPS : all attribute of luxury resorts(high service standard, 5 star training -Value Proposition - is ideal for ..... provide target market segment because they provide..... better than their competition