

Brand report card  
analysis of  
intercontinental brand  
portfolio marketing  
essay



**ASSIGN  
BUSTER**

## 1. Introduction

In the current business world, for companies of all sizes in all types of industries and all types of markets, it has become a priority to well build and manage brand equity. As a matter of fact, companies can obtain customer loyalty and huge profits from strong brand equity, and thus the rewards of maintaining a strong brand are clear (Keller, 2000). Companies can gain huge benefits by establishing strong brand equity and use their global influential brands as vanguards, penetrate into target markets.

Last century thousands of brand miracles have been seen one after another, like Coca-Cola, McDonald's, Rolls-Royce, Louis Vuitton, Sony, Apple, Microsoft, and so on. By building strong brand equity, these world top brands get easier and faster move penetrating into new markets and occupying target markets. When it comes to hospitality industry, it is especially true as in this industry revenues and decreased costs brought by customer loyalty and revisiting are more obvious and easier to measure.

Keller in his paper “ The brand report card” put forward ten characteristics common to world's strongest brands which construct an informative and illuminating tool kit to measure if a brand is well managed. It can be used to measure how well a brand as well as its competitor brands grade according to these ten attributes. This article takes InterContinental as example and combines with Keller's brand report card knowledge to analyze and assess InterContinental's brand portfolio and its brand strategy.

## **2. About InterContinental Brand**

InterContinental Hotels Group (IHG) is an international hotel company dedicated to provide extraordinary service and memorable experiences for their customers. With its excellent corporate management and mature brand management, the group stands as one of the leading hotel brands spreading from Europe to all over the world in the hospitality industry.

IHG is the world's largest hotel operator in respect of number of rooms. It is reported that they have more than 650, 000 guest rooms in over 4, 400 hotels in 100 countries. Their guests make over 130 million stays in IHG hotels every year.

IHG operates seven hotel brands – InterContinental, Crowne Plaza, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites and Candlewood Suites. By using multi-brand strategy it can satisfy customers of different preferences. Among the seven hotel brands some become the well-known and most popular brands in the world. The group has built up a brand portfolio that covers everything from luxurious upscale hotels in the world's major cities and resorts to reliable family-oriented hotels that offer great service and value (Homepage of Intercontinental).

Just as CEO of InterContinental Hotels Group Andrew Cosslett says this year, the hospitality industry has endured a standstill or even worse during the recession, but some chains are climbing back. He says hotel branding is the final way to save the hospitality industry and if they want to stay on top, brand strength is going to be a key part of the rebound (DuBois, 2010).

### 3. Analysis of InterContinental's brand portfolio

IHG operates its hotels in three different ways – as a franchisor, a manager and on an owned-and-leased basis. The largest part of their business is franchising, with over 3800 hotels under franchise agreements. 624 hotels worldwide are operated on management contracts with hotel owners. And only 16 hotels (less than 1 per cent of their portfolio) are owned and managed by the company.

This means that IHG's operating system focuses on building up its brand equity worldwide rather than managing properties. InterContinental has been dedicated to create strong brand power and put tremendous capital and time to strengthen its brand image.

The diversity of InterContinental's brand portfolio indicates that it can have the flexibility and option to properly respond to various types of hotel development opportunity. What's more, hotel owners of different countries and regions can choose the most appropriate hotel brand that will give full play to their own characteristics and advantages and thus maximize the potential of a particular site locally. And whether the guests are travelling for business or leisure, for a honeymoon or a family holiday, they'll have a hotel that's right for them. InterContinental (IHG) spans seven different nameplates, and each one needs to tailor to a different customer, says by Cosslett, CEO of IHG.

The seven brands of IHG are set to meet different market segments respectively (Official website of IHG, 2010) (reference). InterContinental Hotels & Resorts is the most

prestigious and luxurious hotel brand of IHG, located in major cities in over 60 countries worldwide, offering business and leisure travellers the highest level of service and facilities.

Crowne Plaza is a gorgeous international brand that offers premium accommodation, designed for the discerning business and leisure traveller who appreciates simplified elegance.

Hotel Indigo is a new innovative brand designed for the style-conscious traveller looking for the individual approach and facilities of a boutique hotel usually located in urban, mid-town and suburban areas, close to businesses, restaurants and entertainment venues.

Holiday Inn is a civilian hotel brand offering today's business and leisure travellers dependability, friendly service, modern facilities and excellent value located in small towns and major cities, along quiet roadways and near bustling airports.

Holiday Inn Express is a fresh, clean, uncomplicated hotel choice offering comfort, convenience and good value as one of the fastest growing hotel brands in its segments.

Staybridge Suites is an all-suite hotel brand for extended-stay guests looking for a residential-style hotel for business, relocation or leisure.

Candlewood Suites' high-quality accommodation caters to mid-market business and leisure travellers looking for a multiple night hotel stay.

Along with the brand portfolio, IHG sets up Priority Club scheme which is the largest reward scheme in the hotel industry, offering their members a variety of privileges and rewards as well as unparalleled levels of freedom and choice through their chain hotels worldwide.

## **4. Application of the brand report card to the Intercontinental brand**

Since InterContinental has such a diverse brand portfolio, it grasps many more development opportunities and grows fast. In this part the article will assess the InterContinental brand with the tool kit of Keller's ten attributes that most of the world's strongest brands have.

### **4.1 A brief overview of the ten attributes of Keller's brand report card.**

In the paper "The brand report card", Keller explains ten points of attributes that are shared by many successful brands. They are briefed as follows (Keller, 2000):

The brand maximizes customers' experiences and surpasses their expectations.

The brand stays relevant to customer imagery and market trends.

The pricing strategy is based on consumers' perceptions of value.

The brand is properly positioned to keep points of parity and difference.

The brand is conveying consistent brand image and information.

The brand portfolio and hierarchy make sense and cover segmented markets separately.

The brand utilizes marketing activities to build brand equity.

The brand's managers understand what consumers want from the brand.

The brand is given proper and sustained support over the long run.

The company monitors sources of brand equity and audits the brand.

## **4. 2 Application of the brand report card to the Intercontinental brand**

Brands take on unique, personal meanings to consumers that facilitate their day-to-day activities and enrich their lives (Keller, 2006). So when companies build their brand equity, unique and personal associations and other intangible factors are required to melt into the brand building and maintaining process. With the ten points mentioned above, this part gives a general assessment of InterContinental's brand portfolio.

Combined with Keller's brand report card, Figure 1 illustrates how the InterContinental brand portfolio has behaved.

Figure 1 Application of the brand report card to the Intercontinental brand

## **Brand**

## **Attribute**

## **InterContinental**

## **Crowne Plaza**

## **Hotel Indigo**

## **Holiday Inn**

## **Holiday Inn Express**

## **Staybridge Suites**

## **Candlewood Suites**

### **a**

Excels customers' true desire

Excels customers' true desire

It depends

Meets customers' true desire

Fair meets customers' true desire

Excels customers' true desire

Meets customers' true desire

### **b**

Yes, as luxury is forever theme

Yes, satisfies upper rank



Yes, caters for stylish and innovative

No, rebranding under plan

Yes, convenience and quick

Yes, relevant

Yes, relevant

### **c**

Luxurious experience, high priced

Expensive and elegant

Uniqueness and fair price

Comfortable and fair price

Convenience with average price

Value priced

Civilian priced

### **d**

Clear

Proper

Clear

Proper

Fair

Clear

Unclear

**e**

Consistent

Consistent

Consistent

Fair consistent

Consistent

Consistent

Consistent

**f**

Make sense, targeted at the riches

Make sense, targeted at high income

Make sense, targeted at men of characters

Targeted at upper and mid-market

Make sense, targeted at simple and busy men

Make sense, targeted at extended-stay

Make sense, targeted at mid-market

**g**

Greatly involved

Highly involved

Highly involved

Greatly involved

Highly involved

Involved

Involved

**h**

Doing well, esp. in Eu & US

Doing well

Doing well in Eu & US

Doing well before, need renew now

Doing well, in Eu & US

Doing well in Eu & US

Doing well in Eu & US

**i**

Great support as corporate core business

Stable support as profitable business

Special support

Great support, spend huge to rebrand.

Continuing support

Stable support

Less support

**j**

Efficient brand audit

Efficient brand audit

depends

Inefficient brand audit

Efficient brand audit

Sometimes

Not often(PS: The horizon list is the InterContinental brand portfolio and the vertical list represents the ten dimensions explained above respectively simplified by a, b, c,..., j.)

In hospitality industry, customers put much emphasis on their experiences. How an individual perceives the value of their experiences is dependent upon a series of sociological and psychological processes (Beaton, et al, 2009). In Keller's brand report card, the ten attributes concerns a lot about building brand strategy following the change of sociological and psychological factors such as market trends, perceived value of customers and brand improvement. According to previous achievements, IHG behaves quite successful in building brand equity worldwide. And the seven brands have their strong points and can be complementary with each other.

Each brand in the InterContinental portfolio is designed to satisfy a segmented target market in terms of service and price. According to Keller, brands at each level of the hierarchy of portfolio accumulate power to the overall equity of the portfolio through their individual influence to make consumers aware of the various products and foster favourable associations with them. Each brand should have its own boundaries that not to cover too much ground with one brand or to overlap two brands in the same portfolio (Keller, 2000). InterContinental has seven brands that are targeted on diverse segmented markets to satisfy most types of consumers' needs. Its brand portfolio shares points of parity such as customer-driven service and reward scheme, and points of differences in terms of price, quality and geography.

InterContinental brand has clear brand positioning whose final goal is to create Great Hotels Guests Love. They base their brand strategy on consumers' perception of value that they adopt a multi-brand strategy

worldwide forming different levels and types of hotel brands and properly priced and positioned.

Besides, IHG invests enormous capital to rebuild and revitalize its brands. It spent 1 billion dollars in rebranding their hotel brand of Holiday Inn from 2007 and it will be completed in 2010 (Li, 2009). Such long term support on brand equity building will quicken and better IHG's global branding process.

As Intercontinental is a top hotel brand with a long history, there are many things it should embrace with time changes. It should renew its brand with the pace of time and change of customers' perceived value. Besides, more marketing activities in other countries will help build its brand equity since people might be not so familiar with the brand of InterContinental.

## **5. Overall Presentation of the brand report card assessment**

Building strong brand equity is a key task that many companies are facing now. It is true of InterContinental Hotels Group. IHG has laid great emphasis on brand building and strengthening. Andrew Cosslett was appointed CEO of InterContinental Hotels Group as he used to be the marketing director of Unilever and Cadbury Schweppes from which indicates the importance of brand marketing.

IHG has seven brands under the group which cater for diverse target markets with price, quality, functional and geographical differentiations. The diverse brand portfolio of InterContinental helps it to chase and experience different business models. Each hotel brand tailors to a different customer.

It is difficult to assess a brand of how well it behaves. Usually the current marketing situation of the brand is a key criteria for people to reach a conclusion. While Keller's ten attributes illustrated in his paper "The Brand Report Card" has shown a well thought-out, systematic approach to brand management and assessment.

This article applies Keller's ten attributes that are shared by world strongest brands to Intercontinental brand portfolio. As a world top hotel brand, InterContinental has many attributes done quite well and successful such as its segmented market, clear brand image, proper brand positioning, immediate brand improvement, and so on.

However, they are still some points to be perfected. InterContinental Hotels & Resorts is positioned to provide ultimate life experience. But it should be priced and positioned more properly in different countries. Their famous brand Holiday Inn is now under rebuilding. Hotel Indigo is clearly targeted to attract style-conscious consumers and it need pay more attention on the change of customers' perception of value. Holiday Inn Express caters for people who like simple and convenient service and it needs find better ways to maximize customers' experiences with cheap and fine service.

Candlewood Suites serves for mid-market and has a relative loose brand positioning.

It is no easy job to build worldwide brand equity and maintain the brand power increasing. Cheerful as InterContinental's current accomplishments are, it needs more practice in brand management.