

# Building the brand

The Taj has always been a name to contend with. However, today's global marketplace demands bolder, clearer brands, which is exactly what the Indian Hotels intends to achieve with its latest branding exercise

**T**he Taj brand, an epitome of hospitality in India and abroad, is working on a new strategy to connect with the customer. Despite its formidable lineage and its distinctive reputation, Indian Hotels has proved its willingness to refashion its brand identity and strengthen its position in the marketplace. Ajoy Misra, senior vice president, sales and marketing, Indian Hotels, says, "For a 106-year-old company to attempt a major brand architecture exercise at this phase of its existence, is a significant milestone in the history of the company. The objective of the exercise was to significantly heighten brand value and achieve greater proximity to the end customer."

## Growth of a giant

The need for such an exercise was felt because of the way the Taj has grown over the course of over a century. Mr Misra adds, "From 1903 to 1970, we were a one-hotel company, the Taj Mahal Palace Hotel. JRD Tata had the foresight to realise that the advent of the jet engine and the aircraft would change the world, causing the travel and tourism, and the hospitality industries to become a fairly mainstream activity in the economy of the country. This sowed the seeds for the subsequent growth of the Taj."

Thereafter the Taj grew rapidly. Palaces were converted to hotels and the Taj ventured into areas that went on to become tourist destinations, with Goa, Rajasthan and Kerala being most prominent among them. The hotels that the company aligned itself with were of varying standards and sizes, and were sometimes located in destinations that were not ideal locations for a luxury property.

Growth was opportunistic. "In that high-growth phase, we acquired a host of hotels which came to be known as Taj properties. So we had the Taj View hotel in Agra, the Taj Garden Retreat properties in Coonoor, Madurai and Varkala, Taj Residency in Calicut and Vishakhapatnam, and the Taj Mahal Palace & Tower in Mumbai," says Mr Misra. Meanwhile the Taj had also

gone beyond Indian shores to Sri Lanka, London, New York, Chicago, Washington, Dubai, etc.

## The need for clarity

It was around the '90s when the almost 70-hotels-strong Indian Hotels began to understand that the multiplicity of identities was actually confusing guests. There was no clarity about what brand Taj stood for. The brand identity was in urgent need of reinvention.

The year 1997 saw a change in the management with RK Krishna Kumar taking over as the managing director. "It was the turning point for the brand," says Mr Misra. "We began to look at things from the customer's perspective." For instance, if a customer did the standard Golden Triangle, which is Delhi, Agra and Jaipur, he would be confused about the varying standards offered by the Taj hotels in the three places.

Mr Misra elaborates, "While those hotels rode on the goodwill of the Taj brand, the Taj brand was being pulled down in the dimension of luxury. So we began to realise that this was doing immense harm to our flagship brand."

## The path to progress

The first reorganisation occurred in the early '90s when the hotels were re-grouped into three clusters — Taj luxury hotels, Taj business hotels and Taj leisure hotels — under the Taj group of hotels. And yet there were hotels that fit into none of these categories.

Mr Misra says, "The re-grouping by purpose of travel failed to clarify the brand for the consumer. It only created a sub-categorisation whereby the President Hotel began to be tagged as a Taj business hotel or the Fisherman's Cove, Chennai, as a Taj leisure hotel, etc."

Syndicated research helped direct branding efforts. One of the key inputs was the Brand Asset Valuator, which revealed that while the Taj brand scored high on esteem, relevance and knowledge, the

gap with competitors on differentiation was decreasing.

Mr Misra, then head of sales and marketing, was asked to rework the brand architecture. Having grappled with the problem along with a group of senior managers from sales, marketing, business development, operations, finance, etc, the team realised that they needed an external perspective. They finally decided to work with the American firm Landor Associates, whose team visited a few Taj hotels across the country, spoke to customers and employees, and returned with a recommendation on the way forward.

Later, says Mr Misra, “We commissioned them to undertake research, both qualitative and quantitative. They also studied models of brand architecture that exist among hotel chains worldwide.”

That effort led to the unravelling of the brand into Taj (luxury), Vivanta (upper upscale), Gateway (upscale) and Ginger (economy / budget). Under this architecture, Vivanta by Taj was to be a brand endorsed by the Taj. It would therefore nurture the Taj brand and share its brand equity. Gateway would be master brand invisible, while Ginger would be a separate company, housed under Indian Hotels, but not part of Taj Hotels Resorts and Palaces.

This clear brand demarcation allows each brand to have sufficient ‘daylight’ so as to address different customer needs and emerging market segments. The Taj team, under the guidance of Landor, underwent numerous cross-functional workshops or customer engagement journeys to come up with brand attributes and propositions for the different brands.

Collectively, the team evolved brand names and visual brand drivers to define the brand and drive the fundamental brand framework. This would then define the business and brand strategies, the architecture, the interior design specifications, the experience offered at the hotel, etc.

A key customer insight given by Ratan Tata, Chairman Tata Sons and Indian Hotels, was that the customer must be at the core of each brand and must experience the differentiation of the brand driver across all customer touchpoints. Mr Misra adds, “The idea was that at every step of the customer journey, the hotel must breathe the new brand philosophy.”

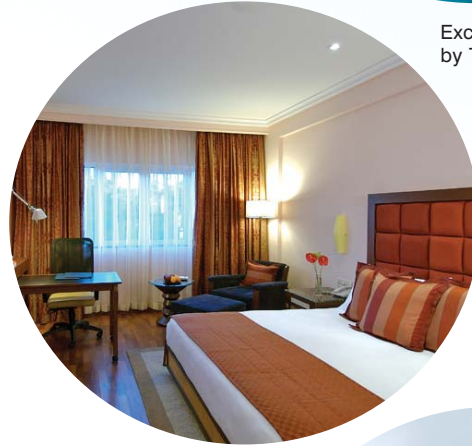
The next challenge was concerned with launching and nurturing the new brands. Yet another challenge involved the task of simultaneously migrating all the hotels that belonged to a particular brand identity to the new brand. Brand prototypes were of course easier to classify



The Taj Mahal Palace & Tower: Mumbai's iconic landmark



Exclusive luxury at the Vivanta by Taj in Whitefield, Bangalore



The well-equipped interiors of the Gateway hotel, Vijayawada



The distinctive facade that sets apart a Ginger hotel



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Ajoy Misra

and develop. All renovations in hotels that were selected to belong to the three brands were done keeping the guidelines in mind.

Opportunities for the organisation as a whole needed to be leveraged through the buy-in of all stakeholders, including owners of hotels, the board of directors of an associate company, employees and shareholders, to synergise the overall brand worth.

Customers who used to stay in the hotel because it was a Taj hotel now had to be made to feel connected and close to the Gateway or Vivanta brand proposition. Mr Misra says, “Each brand will build its base on the Taj constants of hygiene, honesty, integrity and customer centricity. Each brand is administered by a separate small business unit but corporate functions like HR, finance, sales and marketing, IT, legal, etc will be common for the three brands.”

The company set tough deadlines for itself for the unveiling of the new brands; it was a race against time. Gateway was launched in September 2008. A year after its launch, Indian Hotels had cause to be pleased with the performance of the Gateway brand, even in a recessionary year, proving the worth and the validity of the brand architecture exercise.

But the world recession and the terror attack on November 26, 2008, prevented the company from launching Vivanta. Meanwhile, the company still had to face the challenge of launching three new hotels in Bangalore, Goa and Maldives, without having launched brand Vivanta.

The company had a decision to make. Should it open these hotels as part of Taj Residency, an older brand? Or should it launch them as Vivanta even though the brand had not been formally launched? The company chose the latter option and opened the hotels as Vivanta by Taj, Whitefield, Bangalore and Vivanta by Taj, Panjim, Goa. Mr Misra says, “Each hotel lives and breathes the brand, but we haven’t told the world what the brand stands for.”

Meanwhile, work is earnestly on behind the scenes. Much remains to be done, especially with reference to training and getting employees to imbibe the brand personality. The launch of Vivanta by Taj

will pave the way for greater relevance and differentiation for the luxury customer. “What we have brought about is a refreshed and revitalised Taj brand equity, which has been heightened,” says Mr Misra. “We have created two new brands to play in spaces where they can expand unhindered and without adversely affecting the Taj brand.”

### Reaping the benefits

Already the world has begun to sit up and take notice. Credit Suisse has, in its research paper, listed Taj as one among the 27 global great brands of tomorrow, after having studied industries and brands across the world. In the list that includes companies like Apple, Amazon, Facebook, Mercedes-Benz, Polo Ralph Lauren and Tiffany, Taj is the only hospitality brand.

This is a vindication of the efforts of the last six years. Mr Misra says, “The brand architecture exercise has released the potential of the Taj. Its long-term benefits will be unprecedented and will transform our growth, internationalisation, profitability and brand equity.”

The short-term benefits are quite good too. The day after the Gateway brand was launched, Indian Hotels was flooded with offers from developers and owners of real estate for management contracts for Gateway. The spate of potential opportunities spells good news. The company can now choose hotels to do business with according to the specifications and criteria it has set for brand Gateway.

The branding re-organisation means immense possibilities for Indian Hotels. The company has moved away from categorising hotels as business or leisure hotels. Mr Misra says, “Today’s business traveller is also today’s leisure traveller. We can no longer classify hotels on the basis of end use. A customer who stays at the Taj Mahal in Mumbai wants the Taj standard of luxury whether he is travelling on business or on holiday. So the luxury brand can include city hotels, resorts, safari lodges and even residences like Taj Wellington Mews. The brand stands for the quality of the experience.”

Mr Misra believes that a brand must have clear, consistent communication with its customer. He says, “The benefits to be gained from cleaning up the Taj’s brand equity far outweigh the tactical losses in businesses. It will also help us in terms of business development by encouraging us to stop being complacent.”

A lot of the intricacies of brand Taj are still being worked out. But one thing is clear. Customers today are looking for sharply defined brands. They buy brand propositions. And with brand Taj, brand Vivanta by Taj and brand Gateway, customers can now get exactly what they want. ●

*Cynthia Rodrigues*