

CASE
05

Banyan Tree: Designing and Delivering a Branded Service Experience

Jochen Wirtz

Banyan Tree Hotels & Resorts had become a leading player in the luxury resort and spa market in Asia. As part of its growth strategy, Banyan Tree had launched new brands and brand extensions that included resorts, spas, residences, destination club memberships, and retail outlets. Now, the company was preparing to aggressively grow its global footprint in the Americas, Caribbean, Europe, and the Middle East while preserving its distinctive Asian identity and strong brand image of Banyan Tree.

A brand synonymous with private villas, tropical garden spas, and retail galleries promoting traditional craft, Banyan Tree Hotels & Resorts received its first guest in 1994 in Phuket, Thailand. Since then, it had grown into a leading manager and developer of niche and premium resorts, hotels, and spas in Asia–Pacific.

Despite having minimal advertising, Banyan Tree achieved global exposure and a high level of brand awareness through the company’s public relations and global marketing programs. Much interest was also generated by the company’s socially responsible business values and practices caring for the social and natural environments. To gain a wider customer base, the company introduced Angsana in 2000, a contemporary brand at a slightly lower price point that also appeals to families.

As the resorts market became increasingly crowded with similar competitive offerings, lured by the success of Banyan Tree, the company had to contemplate expanding its business and preserving its distinct identity. Banyan Tree and Angsana resorts were expanding geographically outside of Asia and also into the urban hotel market in

major cities throughout the world¹. With around 30 hotels and resorts scheduled to open over the next five years, Banyan Tree faced the challenge of translating and maintaining the success of a niche Asian hospitality brand into various market segments on a global scale.

COMPANY BACKGROUND

By October 2015, Banyan Tree Holdings Ltd (BTHR) managed and/or had ownership interests in 38 resorts and hotels, 67 spas, 79 retail galleries, and three golf courses in 28 countries. Since its establishment in 1994, the company’s flagship brand, Banyan Tree, had won a mindboggling 1,200 international tourism, hospitality, design, and marketing awards, some of which included “2014 Forbes Travel Guide Award”, “Top 10 Hotels In Mexico” in 2014 by the US News for Banyan Tree Mayakoba, “Best Spa Resort in China” in 2014 for Banyan Tree Lijiang from the 7th Annual TTG China Travel Award, “National Geographic Traveler” award for Banyan Tree Yangshuo in 2014, and “Best Spa Operator” at the 25th Annual TTG Travel Awards 2014 (for the 10th consecutive year), for Banyan Tree Spa².

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1 Note that Banyan Tree has a significant property units that are typically in close proximity of its resorts. As part of its property development it launched a new brand, Casia, which targets the Asian middle class. This case study focuses on the Banyan Tree brand.

2 The complete list of awards won by Banyan Tree can be found on the company’s Web site at www.banyantree.com.

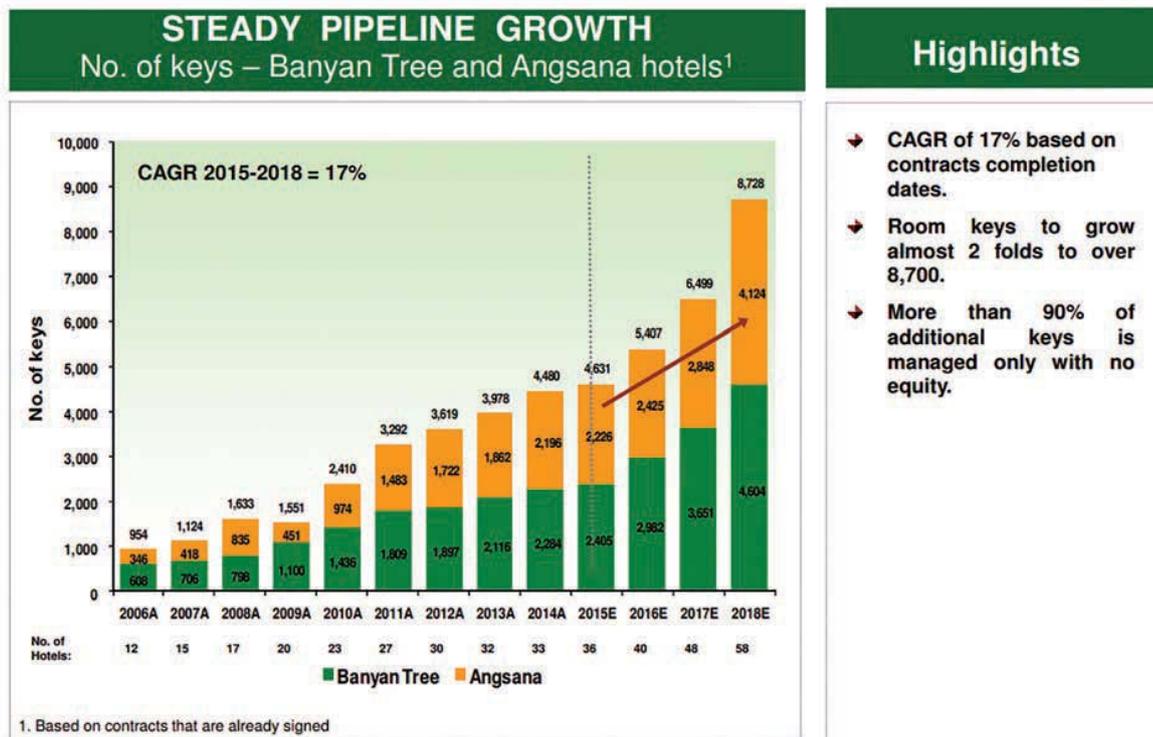
BTHR was founded by Ho Kwon Ping, a travel enthusiast and former journalist, and his wife Claire Chiang, a strong advocate of corporate social responsibility. Prior to entering the hotels and resorts business, Ho spent some 15 years managing the family business, which was into everything imaginable, such as commodities, food products, consumer electronics, and property development. It competed mainly on cost, and was not dominant in any particular country or industry. Meanwhile, Chiang was deeply involved in sociology and social issues.

The closing of a factory in Thailand one year after its opening — because it lost out to other low-cost producers in Indonesia — was the last straw for Ho, who then realized that a low-cost strategy was not only difficult to follow but would also lead them nowhere. Determined to craft out something proprietary that would allow the company to become a price maker rather than a price taker, Ho decided that building a strong brand was the only way for him to maintain a sustainable competitive advantage.

The idea of entering the luxury resorts market was inspired by the gap in the hotel industry that giant chains such as the Hilton and Shangri-La could not fill. There was a market segment that wanted private and intimate accommodation, but without the expectation of glitzy chain hotels. This was fueled by the sharp price gap between the luxurious Aman Resorts and other resorts in the luxury resorts market. For example, in 2004, the Amanpuri in Thailand, one of Aman’s resorts, charged a rack rate for its villas ranging from US\$650 to more than US\$7,000 a night, whereas the prices of other luxury resorts, such as the Shangri-La Hotel and Phuket Arcadia Beach Resort by Hilton in Thailand were priced below US\$350.

Noticing the big difference in prices between Aman Resorts and the other resorts in the luxury resorts market, Ho saw potential for offering an innovative niche product that could also bridge the price gap in this market. Ho and Chiang had backpacked throughout the world in their youth, and were seasoned travelers themselves.

Hotel Business – Outlook



Source

Banyan Tree Holdings Limited. 2Q15 & 1H15 Results Briefing, www.SGX.com, http://infopub.sgx.com/FileOpen/Results_Briefing-2Q15.ashx?App=Announcement&FileID=364840, accessed October 1, 2015.

Their extensive travel experience is evident in their non-conforming beliefs that resorts should provide more than just accommodation. Ho and Chiang hit upon the idea of building a resort comprising individual villas, with locally-inspired architectural design, positioned as a romantic and intimate escapade for guests. Banyan Tree moved its positioning into the higher end of the luxury market, and by 2015, its rack rates for its basic category were typically between US\$600 and US\$1,200 for the resort in Phuket, and between €900 and €3,500 for the resort in the Seychelles.

Operations at Banyan Tree began with only one resort in Phuket, situated on a former mining site once deemed too severely ravaged to sustain any form of development by a United Nations Development Program planning unit and the Tourism Authority of Thailand. It was a bold decision, but the company, together with Ho, Chiang, and Ho's brother Ho Kwon Cjan, restored it after extensive rehabilitation works costing a total of US\$250 million. The Banyan Tree Phuket was so successful when it was finally launched that the company worked quickly to build two other resorts, one on Bintan Island in Indonesia, and the other at Vabbinfaru Island in the Maldives. The company has never looked back since. Even though Asia's travel industry experienced periodic meltdowns such as during the Asian economic crisis in 1997/8, the September 11 attacks on the World Trade Center in 2001, the dot.com crisis in 2001/2, severe acute respiratory syndrome (SARS) in 2003, the Indian Ocean tsunami on December 26, 2004, the World Economic Crisis in 2008/9, and the Euro Crisis from 2011 through to 2015, no employee was retrenched; instead, Banyan Tree grew its number of resorts and rooms aggressively, and its room rates rose steadily.

BRAND ORIGINS

Known as *Yung Shue Wan* in the local dialect, Banyan Tree Bay was a fishing village on Lamma Island in Hong Kong, where Ho and Chiang lived for three idyllic years before Ho joined the family business. Despite the village's modest and rustic setting, they remembered it to be a sanctuary of romance and intimacy. The large canopies of the Banyan Tree also showed semblance of the shelter afforded by Asia's tropical rainforests. Ho and Chiang thus decided to name their resort Banyan Tree, and position it as a "Sanctuary for the Senses".

THE SERVICE OFFERING

Unlike most other resorts then, Banyan Tree resorts comprised individual villas that came with a private pool, Jacuzzi, or spa treatment room, each designed to offer guests exclusivity and utmost privacy. For example, a guest could skinny-dip in the private pool within his villa without being seen by other guests, putting him in a world of his own (*Exhibit 1*).



Exhibit 1 A world of privacy in a double pool villa at Banyan Tree Phuket

All Banyan Tree hotels and resorts were designed around the concept of providing "a sense of place" to reflect and enhance the culture and heritage of the destination. This is reflected in the architecture, furnishings, landscape, vegetation, and the service they offer. To create a sense of exotic sensuality and ensure the privacy of its guests, the resorts are designed to blend into the natural landscape of the surrounding environment, and use the natural foliage and boulders as its privacy screen (see *Exhibit 2* showing Banyan Tree Seychelles). The furnishings of Banyan Tree villas were deliberately native to convey the exoticism of the destination with its rich local flavor and luxurious feel. The spa pavilions in Seychelles were constructed around the large granite boulders and lush foliage to offer an outdoor spa experience in complete privacy. The resorts' local flavor was also reflected in the services offered, some of which were unique to certain resorts. Employees were allowed to vary the service delivery process according to local culture and practices, as long as these were consistent with the brand promise of romance and intimacy. Thus, in Phuket for instance, a couple could enjoy dinner on a traditional Thai long

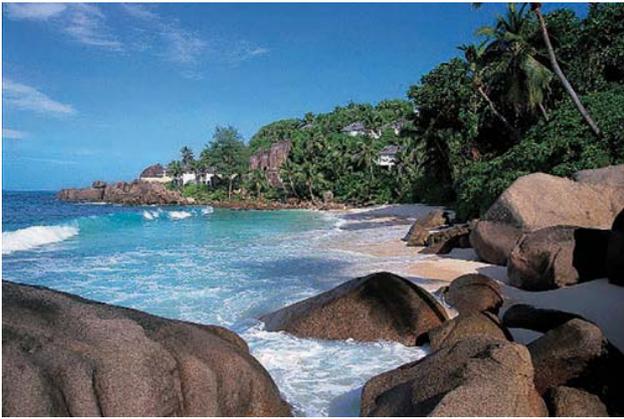


Exhibit 2 Banyan Tree Seychelles blends well into its natural environment

tail boat accompanied by private Thai musicians while cruising, instead of dining in a restaurant. Banyan Tree Phuket also offers wedding packages in which couples were blessed by Buddhist monks. In the Maldives, wedding ceremonies could be conducted underwater among the corals. Guests could also choose to dine in a castaway sandbank with only their private chefs and the stars for company, and watch the sunset toasting champagne on a Turkish gulet upon returning from a trip watching a school of spinner dolphins.

Products and services were conceived with the desired customer experience in mind. Banyan Tree launched themed packages across their hotels, such as “Sense of Rejuvenation” with a focus on wellness, spa, and detox, and “Sense of Romance” for couples. These themed packages varied from resort to resort, to incorporate the unique experiences each location had to offer, but they would have some common features, such as a couple spa treatment, couple dining concepts, and the special decoration of the couples’ villas with lit candles, incense oil burners, flower petals spread throughout the room, and a chilled bottle of champagne or wine. The couple would be presented with a variety of aromatic massage oils and bath salts to further inspire intimate moments.

Another draw of the resorts was the Banyan Tree Spa, found at every Banyan Tree property. The pioneer of the tropical garden spas concept, Banyan Tree Spas offered a variety of aromatic oil massages, and face and body beauty treatments using traditional Asian therapies, with a choice of indoors or outdoors treatment. The spa products used were natural, indigenous products made from local herbs and spices. Non-clinical in concept, Banyan Tree Spas relied mainly on the “human touch” instead of energy-consuming high-tech equipment. The



Exhibit 3 The Banyan Tree Spa Pavilion with a view

spa experience was promoted as a sensorial, intimate experience that would rejuvenate the “body, mind, and soul,” and was mainly targeted at couples who would enjoy their treatments together.

In line with Banyan Tree’s ethos of conserving local culture and heritage, and promoting cottage crafts, Chiang founded the Banyan Tree Gallery, a retail outlet showcasing indigenous crafts. Banyan Tree Gallery outlets were set up in each resort. Items sold were made by local artisans, and included traditionally woven handmade fabrics, garments, jewelry, handicrafts, tribal art, and spa accessories, such as incense candles and massage oils, which guests could use at home to recreate the Banyan Tree experience.

Banyan Tree Gallery embarked on projects to support the various communities in the locations Banyan Tree resorts are situated, and worked closely with village cooperatives and not-for-profit craft marketing agents to provide gainful employment to artisans. While acting as a marketing channel for Asian crafts like basket weaving, hill tribe cross-stitching and lacquer ware, Banyan Tree Gallery also educated its customers about the crafts with an accompanying write-up. In the course of Banyan Tree Gallery’s operations, the community outreach extended from across Thailand to Laos, Cambodia, India, Nepal, Sri Lanka, Indonesia, Malaysia, and Singapore.

The result of Banyan Tree’s efforts was “a very exclusive, private holiday feeling”, as described by one guest. Another guest commented, “It’s a treat for all the special occasions like honeymoons and wedding anniversaries. It’s the architecture, the sense of place and the promise of romance.”

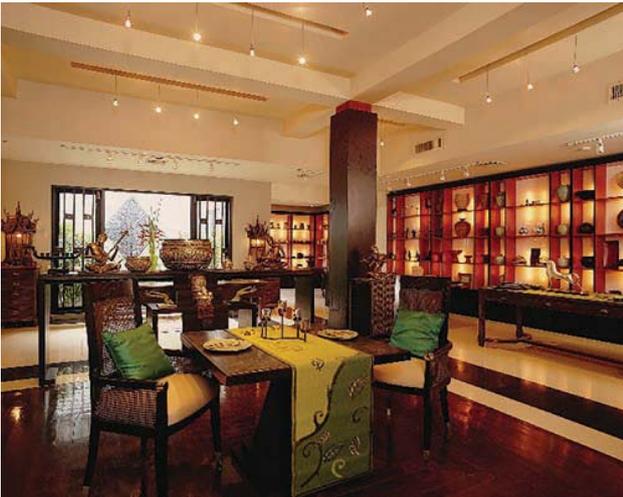


Exhibit 4 A contemporary Asian shopping experience with a strong sense of corporate responsibility at Banyan Tree Gallery

MARKETING BANYAN TREE

In the first two years Banyan Tree was launched, the company's marketing communications was managed by an international advertising agency. The agency also designed the Banyan Tree logo shown in *Exhibit 5* and, together with the management, came up with the marketing tagline "Sanctuary for the Senses".

Though furnished luxuriously, Banyan Tree resorts were promoted as providing romantic and intimate "smallish" hotel experiences, rather than luxurious accommodation as touted by most competitors then. "Banyan Tree Experiences" was marketed as intimate private moments. The resorts saw themselves as setting the stage for guests to create those unforgettable memories.



BANYAN TREE

Exhibit 5 The Banyan Tree logo

When Banyan Tree was first launched, extensive advertising was carried out for a short period of time to gain recognition in the industry. Subsequently, the company scaled down on advertising and kept it minimal, mainly in high-end travel magazines in key markets. The advertisements were visual in nature, with succinct copy showcasing the awards and accolades won. *Exhibit 6* shows a Banyan Tree advertisement highlighting the award-winning Banyan Tree Spa.



Exhibit 6 An advertisement showcasing "Spa of the Year" award from Conde Nast Traveller

Brand awareness for Banyan Tree was generated largely through public relations and global marketing programs. For example, relationships with travel editors and writers were cultivated to encourage visits to the resorts. This helped to increase editorial coverage on Banyan Tree, which management felt was more effective in conveying the "Banyan Tree Experience" from an impartial third-party perspective. Its website www.banyantree.com increasingly drove online bookings, and provided vivid information on the latest offerings of Banyan Tree's fast-growing portfolio.

The management of marketing activities was centralized at its headquarters in Singapore in order to maintain consistency in brand building. BTHR appointed a few key wholesalers in each targeted market, and worked closely with them to promote sales. Rather than selling through wholesale and retail agents that catered to the general market, BTHR chose to work only with agents specializing in exclusive luxury holidays targeted at wealthy customers. Global exposure was also achieved

through Banyan Tree's membership in the Small Luxury Hotels (LX) and Leading Hotels of the World (LW). Targeting high-end consumers, they represent various independent exclusive hotels, and have sales offices in major cities around the world.

The end of 2007 marked a new stage of Banyan Tree's global expansion, with the launch of its own GDS code "BY". GDS is a Global Distribution System that is used by travel providers to process airline, hotel, car rental reservations across 640,000 terminals of travel agents, and other distribution partners around the world. Prior to BY, Banyan Tree was represented by its marketing partners, Leading Hotels of the World (LW) and Small Luxury Hotels (LX). Thereafter, Banyan Tree had its unique identity on the GDS code, further strengthening its brand presence and customer ownership. Banyan Tree then had enough critical mass to ensure the economic feasibility of a GDS private label. The acquisition of its own GDS code meant that Banyan Tree was transitioning from a relatively small regional player to a global brand in the eyes of the travel industry.

BRAND VALUES

Banyan Tree embraced certain values, such as actively caring for the natural and human environment, revitalizing local communities, which in turn created pride and respect among staff. The company hoped to build the brand on values that employees and customers could identify with and support as part of their own life values. A dedicated corporate social responsibility committee, headed by Chiang and featuring general managers and valued associates from each resort, was formed to focus on these issues with both a regional overview and simultaneously local perspectives. Thus, the company worked actively to preserve, protect, and promote the natural and human environments in which the Banyan Tree resorts were located. In 2009, Banyan Tree Global Foundation was launched as a separate entity to enhance governance and institutional safeguards for funding of sustainability projects.

PRESERVING THE ENVIRONMENT

Resorts were built using local materials as far as possible, and at the same time minimizing the impact on the

environment. At Banyan Tree Bintan, for example, the 70 villas located in a rainforest were constructed around existing trees, cutting down as few trees as possible, to minimize the impact the resort had on the natural environment. The villas were built on stilts and platforms to avoid cutting trees, and possible soil erosion. At Banyan Tree Maldives Vabbinfaru and Banyan Tree Seychelles, fresh water supply was obtained by the more expensive method of desalination, instead of extracting water from the underground water-table, which risked long-term disruption of the ecological system. Toiletries such as shampoo, hair conditioner, bath foam, and body lotion, provided in the resorts were non-toxic and biodegradable, and filled in reusable containers made from celadon or ceramic. Refuse was recycled where possible or otherwise treated through an in-house incinerator system. Waste water was also treated and recycled in the irrigation of resort landscapes.

Through the retail arm Banyan Tree Gallery, the human environment efforts were evident in the active sourcing of traditional crafts from indigenous tribes to provide gainful employment. These employment opportunities provided a source of income for the tribes, and at the same time, preserve their unique heritage.

In line with the Banyan Tree Group's Green Imperative initiative, Banyan Tree Gallery constantly used eco-friendly and recycled materials in the development of its merchandise. Examples included photo frames made using discarded telephone directories, elephant dung paper stationary, and lead-free celadon and ceramic spa amenities. Unique collections like the black resin turtles stationery range and leaf-inspired merchandise were created to promote environmental awareness and were accompanied by a write-up to educate the consumer on the targeted conservation campaign. In support of animal rights, the galleries did not carry products made from shell or ivory.

Besides trying to conduct business in an environmentally responsible manner, BTHR actively pursued a number of key initiatives, including its Greening Communities program. Greening Communities was launched in 2007 as a challenge for properties to raise awareness for climate change by planting 2,000 trees per year. It planted 28,321 trees in the first two years of the program. For example, Banyan Tree Lijiang planted some 20,000 fruit trees to create additional income for families of the supporting community. While trees will absorb carbon dioxide and improve the quality of the environment, the main goal of this program was to engage local communities, associates,

and guests to share the cause of climate change, and actions that can reduce our collective carbon footprint. The program had planted 358,885 trees by end-2014, far exceeding its target of 286,272.

CREATING BRAND OWNERSHIP AMONG EMPLOYEES

All Banyan Tree employees were trained to the basic standards of five-star service establishments, which included greeting guests, remembering their first names, and anticipating their needs. In addition, some employees got a taste of the “Banyan Tree Experience” as part of their training. The management believed that the stay would help employees understand better what guests will experience, and, in return, enhance their delivery of special experiences for the guests.

Although management imposed strict rules in the administration of the resorts, employees were empowered to exercise creativity and sensitivity. For example, the housekeeping teams were not restricted by a standard bed decoration. Rather, they were given room for creativity although they had general guidelines for turning the bed to keep in line with the standards of a premium resort. Banyan Tree invested liberally in staff welfare — employees were taken to and from work in air-conditioned buses, and had access to various amenities including good-quality canteens, medical services, and childcare facilities. Staff dormitories had televisions, telephones, refrigerators, and attached bathrooms.

The company’s generous staff welfare policies apparently paid off. Ho said, “The most gratifying response is the sense of ownership that our staff began to have. It’s not a sense of financial ownership, but they actually care about the property. In our business, service and service standards do not always mean the same thing as in a developed country, where standards are measured by efficiency and productivity, by people who are already quite well-versed in a service culture. We operate in places that, sometimes, have not seen hotels. People come from villages. What we need — more than exact standards — is for them to have a sense of hospitality, a sense that the guest is an honored person who, by virtue of being there, is able to give a decent livelihood to the people who work. This creates a culture in which everybody is friendly and helpful.”

INVOLVING GUESTS IN ENVIRONMENTAL CONSERVATION

Part of the company’s corporate social responsibility initiatives were designed to encourage environmental conservation and help ecological restoration. To create greater environmental awareness, Banyan Tree organized activities that involved interested guests in their research and environmental preservation work. In the Maldives, for instance, guests were invited to take part in the coral transplantation program (see *Exhibit 7* for a picture of guest involvement in the long-running coral planting program). Guests who participated in the program were then encouraged to return several years later to see the progress of their efforts. Guests were also offered free marine biology sessions, allowing them to learn more about the fascinating marine life and its conservation. Guests also had an opportunity to take part in the Green Sea Turtle Headstarting Projects. The response from guests was tremendously positive.

Banyan Tree established The Green Imperative Fund (GIF) to further support community-based and environmental initiatives in the regions where it has a presence. Guests were billed US\$2 per room night at Banyan Tree properties and US\$1 at Angsana properties (of which they could opt out if they wished) for this fund and the company matched it dollar for dollar. Details of the program were communicated to guests through various methods, including sand-filled turtles and in-villa turndown gifts.



Exhibit 7 A guest participates in planting corals at the Banyan Tree Maldives and Angsana Ihuru Maldives

Guests were generally happy to know that their patronage contributed to meaningful causes, like the construction of new schools for the local community, the restoration of coral reefs, and also helped ensure the longevity of local village crafts.

INVOLVING THE LOCAL COMMUNITY

In addition to engaging local craftsmen to produce indigenous art and handicrafts for sale at its galleries, Banyan Tree also involved the local community in all aspects of its business, even as the resorts were being built. Villas were constructed with as much indigenous material as possible, most of which was supplied by local traders. Traditional arts and handicrafts that complemented the villas' aesthetics were also purchased from local artisans.

The company believed in building profitable resorts that would benefit the surrounding environment and contribute to local economies through the creation of employment and community development projects. As such, besides providing employment for the local community, the company also brought business to the local farmers and traders by making it a point to purchase fresh produce from them. Whenever possible, the company supported other regional tourism ventures that would benefit the wider local community and enhance the visitor's experience. The Banyan Tree Maldives Marine Laboratory is a prime example, being the first fully equipped private research facility to be fully funded and operated by a resort. The Lab seeks to lead conservation efforts in the Maldives to protect and regenerate coral and marine life for the future of the tourism industry as well as to promote awareness and education of this field to the local community.

Recognizing that the disparity in lifestyles and living standards between guests and the local community might create a sense of alienation within the local community, a Community Relations Department was set up to develop and manage community outreach programs. After consultations with community stakeholders, a number of funding scholarships for needy children were given, a school and childcare center were built, lunches and parties for the elderly were hosted, and local cultural and religious activities were supported.

One of BTHR's formalized programs was Seedlings, which aimed to help young adults from local communities, and motivate them and provide the means for completing their education to successfully enter the labor force as adults. This program benefitted the community at large as it provided the next generation with educational opportunities to break the poverty cycle³.

GROWING BANYAN TREE

In 2002, BTHR took over the management of a city hotel in the heart of Bangkok from Westin Hotel Company. The hotel was rebranded as Banyan Tree Bangkok, after extensive renovation works were completed to upgrade the hotel's facilities, build new additional spa amenities and a Banyan Tree Gallery. This was the first Banyan Tree hotel to be located in the city area, unlike the other beachfront Banyan Tree properties. Banyan Tree planned to open city hotels in Seoul, Shanghai, and Hangzhou, and Angsana also expanded into Morocco and Laos.

As the Banyan Tree brand became established, the company began expanding its network of spas and retail outlets. Standalone Banyan Tree Spas and Banyan Tree Galleries were set up as separate ventures, independent of Banyan Tree hotels and resorts, in various cities such as Singapore, Shanghai, Sydney, India, and Dubai, operating either in other hotels, cruise ships, or as standalone outlets.

In addition to the Spa Academy in Phuket which opened in 2001, and to support its fast-growing spa business, Banyan Tree opened two new spa academies in Lijiang, China and Bangkok, Thailand in 2007.

After establishing a foothold in the luxury resorts market, BTHR introduced the Angsana brand in response to the demand from hotel operators in Asia that were keen to introduce spa services in their hotels. As the positioning of these hotels did not fit that of Banyan Tree, the company decided to launch a new brand, Angsana, a more contemporary and affordable brand than Banyan Tree, to run as standalone spa businesses in other hotels.

³ Detailed information on BTHR's CSR activities can be found at <http://www.banyantree.com/csr>.

The first Angsana Spa was opened in 1999 at Dusit Laguna, one of several hotels at Laguna Phuket, an integrated resort development with shared facilities located at Bang Tao Bay in Thailand. The Angsana Spa was so well received that the company quickly set up five other such spas in various hotels in Thailand. In 2000, BTHR opened its first Angsana Resort & Spa complete with an Angsana Gallery, located less than one kilometer away from Banyan Tree Bintan in Indonesia.

In 2003, Banyan Tree launched The Museum Shop by Banyan Tree — a joint partnership with Singapore’s National Heritage Board to showcase Asia’s rich and diverse cultural heritage through unique museum-inspired merchandise. Designed to inspire and educate shoppers, The Museum Shop by Banyan Tree made history more accessible and approachable to the layperson. Although it eventually disposed of all museum shops, Banyan Tree had 79 retail outlets, ranging from Banyan Tree Galleries, Heritage Collection by Banyan Tree, Elements by Banyan Tree, and Angsana Galleries by 2015.

Banyan Tree Galleries are the retail outlets supporting the hotels, while Banyan Tree Spa Galleries support the spa outlets, selling more spa-focused merchandise such as signature aromatherapy amenities, essential oils, candles, and body care products.

THE ROAD AHEAD

To diversify its geographic spread, Ho had started to venture into locations in South America (the first resort in Mexico opened in 2009), southern Europe, and the Middle East, where he hoped to replicate Banyan Tree’s rapid success. However, given the higher costs of doing business in the Americas and Europe, would the same strategy that had brought fame and success to Banyan Tree in Asia be workable in the rest of the world? Ho’s ultimate vision was “to string a necklace of Banyan Tree Resorts around the world; not quantity, but a number of jewels that form a chain around the world”. By the second half of 2015, Banyan Tree had signed management contracts that would increase the total numbers to 66 hotels and resorts, 117 spas, and 115 galleries across 33 countries by 2019. Of the properties under development, the majority were resorts and/or integrated resorts.

While expanding the company’s network of hotels and resorts, spas, and retail outlets, Ho had to be mindful of the brands’ focus and be careful not to dilute the brands. He also had to consider the strategic fit of the company’s portfolio of brands, which comprised Banyan Tree and Angsana (*Exhibit 9*), and more recently, a significant property arm that develops and sells villas and serviced apartment units that are typically in close proximity of its resorts. As part of this property development, it launched a new brand, Cassia, an exciting and bold new proposition in the serviced apartment sector which targets the Asian middle class.

Banyan Tree certainly stood out among its competitors in the resorts industry when it was first launched. Since then, its success had attracted various competitors who offer similar products and services. Thus, it was imperative that Banyan Tree retained its competitive advantage to prevent losing its distinctive position in the market, bringing Banyan Tree to the Americas, Europe, and the Middle East. How could Banyan Tree address those issues?



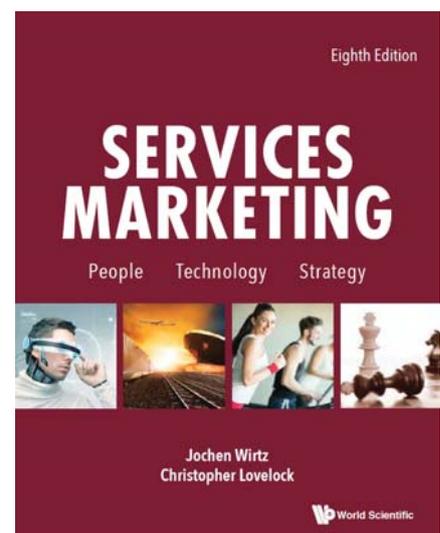
Exhibit 9 Angsana Ihuru Maldives

Study Questions

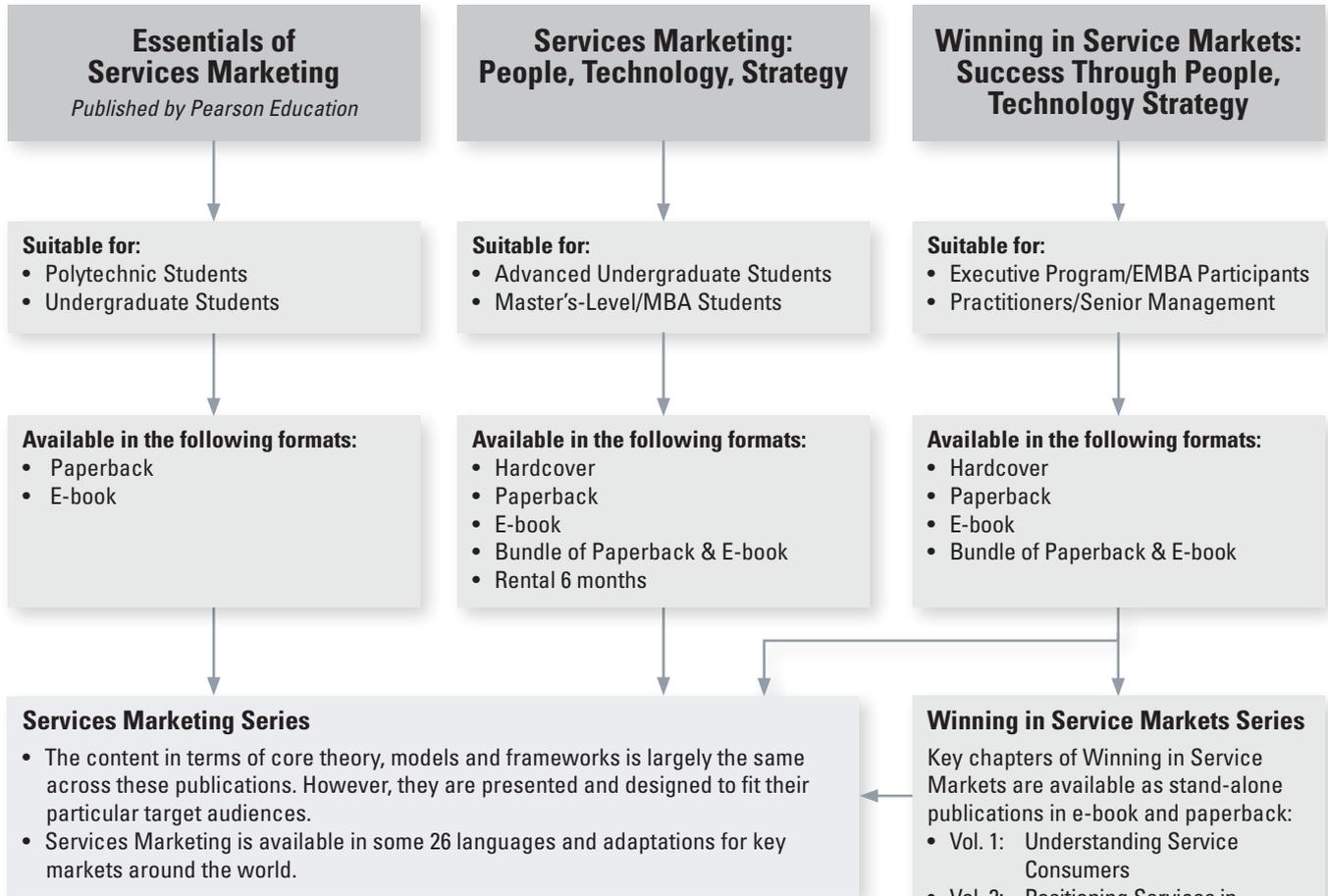
1. What are the main factors that contributed to Banyan Tree's success?
2. Evaluate Banyan Tree's brand positioning and communications strategies. Can Banyan Tree maintain its unique positioning in an increasingly overcrowded resorts market?
3. Discuss whether the brand portfolio of Banyan Tree, Angsana, and Cassia, as well as the product portfolio of beach resorts, services residences, 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?
4. What effect does the practice of corporate social responsibility have on brand equity?
5. What potential problems do you foresee bringing Banyan Tree to the Americas, Europe, and the Middle East? How could Banyan Tree address those issues?

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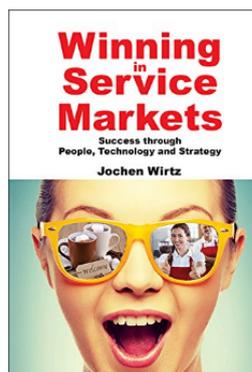
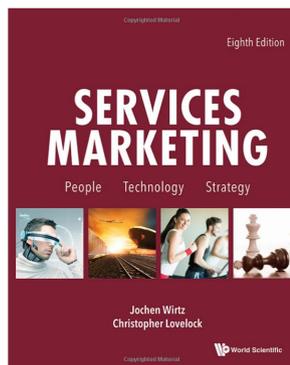
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