Branding Strategies within International Hotel Chains

A case study of Lithuanian Market

Bachelor’s thesis within Business Administration

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Jönköping: May 2015
Acknowledgement

The authors would like to acknowledge some of the people, who have been involved in the creation of this thesis.

Firstly, the authors would like to express gratitude to their tutor MaxMikael Wilde Björling, Thank you for your help and guidance during the entire process. Your faith, support and valuable feedback made it possible to successfully complete this thesis.

Secondly, the authors would like to acknowledge Giedrė Liandsbergaitė, Inga Bunkienė and Asta Sekmokienė, who devoted their time and contributed with their expertise. The collaboration with them allowed to get a deeper understanding and knowledge about the examined topic that led to the valuable contributions of the study.

Finally, the authors want to thank Loreta Masevičienė. Her encouragement and help to find contacts in the beginning of the process gave the authors the needed confidence to meet the purpose of this thesis.

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Abstract

Background: The hospitality industry, especially the hotel business, is a relatively new, and rapidly growing industry in Lithuania. The last two decades resulted in a significant expansion of the local hotel market, as well as of operations of international hotel chains. Thus, competition among actors in the industry, along with the companies’ need to differentiate their offerings from those of competitors, has risen. Branding strategies are increasingly used by companies for achieving better positioning on the market, as well as for gaining a competitive advantage and customers’ loyalty. Knowing that global brands play an important role for firms’ visibility on the market, it is important to recognize, and understand the factors influencing marketing management- and branding-related activities. To accomplish this, an in-depth understanding behind the structure and branding strategies of international hotel chains should be developed.

Purpose: The purpose of this thesis is to understand the rationale behind the structure, and operations of international hotel operators in Lithuania, with a focus on the hotels’ branding strategies. Furthermore, the thesis aims to investigate how companies use their brand identity to position themselves in the market.

Methodology: This thesis relies on a qualitative research, with a main focus on discovery, and aim to expand current knowledge in the field of hospitality management and branding within the Lithuanian hotel industry. The study consists of an in-depth case study of three international hotel chains operating in Lithuania. The empirical data was gathered from semi-structured, and e-mail interviews with the chosen hotels’ representatives, as well as from secondary data such as annual reports and official websites.

Conclusion: Three key findings are presented in this thesis. First of all, the authors identify business travelers as the main target group of the selected international hotel operators in Vilnius. Secondly, the examined hotel operators are recognized to standardize their structure and operations, but at the same time to customize their marketing strategies to the local market. Finally, the findings indicate that some hotels completely incorporate the brand identity of the chain, which they belong to, while others develop their own brand identity, relying only partly on the identity of the chain.

Contributions: This thesis positively contributes to the academic community, as it expands the theoretical knowledge about the Lithuanian hotels industry, with a main focus on the branding- and marketing activities of international hotel chains. The findings provide a practical insight on how companies are positioned in the market in relation to their competitors. Moreover, with an extensive choice of accommodation available in the market, the comparison of hotels is beneficial in helping customers choosing the best alternative according to their needs.
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1. Introduction

This section aims to ease the reader into the broader concept of the thesis. First, the background of the selected topic is discussed, followed by the problem statement and the purpose. This section also presents the contributions of the academic paper, and provides an explanation of delimitations of this thesis.

1.1. Background

1.1.1. Branding

The current size of the hotel industry is challenging to quantify, but nonetheless, it demonstrated tremendous growth during the last quarter of a century (Jones, Hillier & Comfort, 2014). Nowadays, it is one of the biggest, and most competitive industries in the world. Thus, in the era of globalization many international hotel chains are managed through implementing global distribution systems, and accessing the market through a variety of marketing techniques (Yu, Byun & Lee, 2014).

In order to stay competitive in such an aggressive market, companies realize the increasing need to differentiate their service offerings from those of competitors. Branding is one of the strategic tools to do so. Nowadays, branding is regarded not only as a process of creating clues such as names, symbols, signs, and/or designs, through which organizations facilitate customers in identifying their services (Keller, Aperia & Georgson, 2008), but also as a long-term commitment aiming to ensure a successful market image, and business growth (Kapferer, 2008). As strong brands are the outcome of thoughtful market segmentation, and product differentiation, they are designed to communicate the organization’s vision to the target group, while aiming to ensure loyalty among customers (Kapferer, 2008).

According to Steenkamp (2014) all marketing activities focus on constructing strong brands, as the latter generate market share, increase loyalty among consumers, and might lead to higher profit margins. A strong brand results in several outcomes for companies – (1) consumer outcomes, which reinforces trust and loyalty towards the brand from consumer perspective; (2) market outcome, which is expressed through market shares; and (3) financial outcomes, which result from the ability of companies to charge higher prices for premium and valued brands (Steenkamp, 2014). Therefore, managers no longer consider brands only as “marketing engines” illustrated in logos, and symbols, but also as valuable assets along with organizations’ employees, and capital, for instance (Petromilli & Berman, 2003). Branding also contributes to organizations’ reputation, and reinforces brand awareness.

Apart from being valuable assets for companies, brands are also regarded as natural barriers against competitors (Tepeci, 1999). Successful branding strategies aim at positioning the product or service in consumers’ minds through working towards establishing positive association with the quality, image and reputation. According to Tepeci (1999) this results in an increase of referrals, which on the other hand, increases customer loyalty, and decreases the chances of switching to competitor’s offers.

As companies become more aware of the importance of branding and start spending more time, resources, and human capital on ensuring a good brand image for their corporation, the development of brand management as a managerial practice occurred. Heding, Knudtzen and Bjerre (2009) distinguish seven approaches to branding. Each
one of them with a focus on different scope, and their strategic integration within marketing strategies can result in competitive advantages for corporations. Although, the understanding of all approaches is vital for the positive performance of companies in terms of branding, this thesis focuses on the brand identity approach. The brand identity approach concentrates on aspects such as organizational identity, corporate identity, image, and reputation in order to create an understanding of all interrelated aspects, which build brand identity. Kapferer (2012, p. 151) argues that understand identity is vital for companies as, contrary to brand image, it emphasizes the “brand’s meaning, aim and self-image”.

1.1.2. Service Branding

With the growth of the service sector, academics start differentiating between product branding and service branding. Services possess several characteristics, which distinguish them from products. These are (1) intangibility, (2) variability, (3) perishability, and (4) inseparability. The characteristics suggest that services are (1) not subject to perceiving through any physical senses; (2) service delivery may differ during each service encounter; (3) they cannot be stored, and disappear once they have been produces; and (4) services are inseparable from the service provider (Palmer, 2011). Consequently, branding offers within the service sector, and within the hospitality industry as a part of it, has some implications for companies. Branding has become an interactive, relationship-oriented tool for market positioning, and reaching target customers. Therefore, companies should strive to align their brand image with every other aspect of the company (Heding et al, 2009).

Brand image is of significant importance for service branding as a positive brand image contributes to the brand’s messages power of influence on the decision-making of the consumers (Hsieh & Li, 2008). It consists of the associations, which customers hold toward a brand (Doyle, 2011). Moreover, the notion reflects customers’ experience with the service or product the brand is linked to (Keller, 1993). Therefore, it can be argued that brand image is the combined mental image, which stakeholders relate to the brand’s name (Faircloth, 2005).

Brand image can be used as a differentiator against competitors’ offerings. Thus, service companies should strive to construct a brand image that occupies a unique place in customers’ minds. Also, a major role for brand management is to maintain a positive perception in the targeted customer’s minds, as these perceptions form the brand image.

1.1.3. Standardization and Customization

The hotel industry is viewed not only as one of the most globalized service sectors, but also as a prime actor in the development of globalization around the world (Yu et al., 2013). As the notion of globalization is applied to both the business world, and the way of life of individuals, it assumes that people want the same products and lifestyles everywhere they go (Zhou & Belk, 2004). Moreover, hospitality customers seek familiar services, which allow them to move easily between countries (Roger, 2002). Thus, it can be argued that globalization leads to standardization of services and processes within the hospitality industry. International hotel chains often use synchronized marketing strategies, similar tangible and intangible services, and standardized environment and servicescape for all of their locations (Aliouche & Schlentrich, 2011; Sutthijakra, 2011).
In contrast to the common understanding, standardization does not mean that a service is delivered in a strict mechanical way (Wilson, Zaithaml, Bitner & Gremler, 2012). Rather, service companies use standardization as a way to perform according to the expectations of customers. Wilson et al. (2012) recognize the importance of standardization in industries such as the hotel one, where is it important to ensure the same level of service to all customers. Customization, as a process of delivering unique service in terms of types and quality, is regarded as a deliberate strategy for the hotel actors. Scholars suggest that customization can be used as a way to adapt to the historical, and geographical particularities of a given market (Lee, 2011; Yu et al., 2014). Customization also is highly used on a business-to-business level of service transactions (Wilson et al., 2012).

1.1.4. Lithuanian Market

Lithuania is situated in Central Eastern Europe (CEE) with egress on the Baltic Sea. After the World War II, the country became a state of the former USSR union, but it gained back its independence in 1991. The dynamic past of Lithuania resulted in some implications for the newly independent country. After the separation from the USSR, Lithuania suffered high levels of inflation, and a breakdown in trade relations, which greatly affected living standards (Clotsey & Lennon, 2003). However, the government undertook actions towards economic and market stabilization, and in 2004 the country became a member of the EU union. Along with other industries of the economy, tourism, as an industry generating revenues, job opportunities, and foreign exchange, was recognized as one of the pillars of the new republic (Clotsey & Lennon, 2003).

Being a former USSR country did not only affect Lithuania’s economy, but also its marketability in terms of tourism. As the name of Lithuania vanished from the map of Europe after the WWII, today the country is still little known to tourists (Gražulis & Oršanski, 2010). Moreover, the tourism and hospitality sectors were hardly developed during the USSR years of the Lithuanian history due to the neglect towards the service sector from the USSR (Clotsey & Lennon, 2003). Thus, the hospitality, and tourism sectors tourism is are relatively new areas for Lithuania, but are rapidly growing as an economic industry. Becoming an official member of the EU opened the boarders of the country to both international hotel operators, and international customers. Tourists started discovering the republic, and its rich cultural and historical heritage (Clotsey & Lennon, 2003). Although the country is a relatively new tourism destination, the largest travel guidebook publisher in the world, Lonely Planet (2015), ranks Lithuania as a country number three to visit in 2015. Nowadays, the progress in hospitality and tourism is one of the main economic drivers of Lithuania (Ernst & Young, 2013).

Being a successor of such dynamic economic and governmental changes, modern Lithuanian hospitality and tourism have become intriguing subjects for academics. With the opening of the country’s boarders to the world, the hospitality industry accommodates both local operators, and numerous multinational hotel chains, which are newly introduced to the market. Furthermore, the government wishes to ensure annual inflow of tourists, in contract to seasonal as it is the present case, which leads to the development to various sectors within tourism, as well as to the integrating of new types of tourism. These factors make the Lithuanian hospitality industry in particular an interesting area to investigate.
1.2. Problem Statement

As mentioned previously, the hotel business is becoming an increasingly growing entrepreneurial industry in Lithuania, especially in terms of international hotels chains entering the market. Even though the hotel industry is only two decades old, during that period it resulted in a significant expansion of international hotel businesses operations, as well as in an extension of Lithuania’s hotels market itself. According to Kučinskenė and Mačerinskienė (2014), since the end of the late 90’s, eight worldwide chains started operating in the country’s market. Moreover, it is already known that in the year of 2015 and 2016, few others global hotel chains will enter the market.

Considering that international brands play a vital role for the companies’ visibility on the market, it is important to recognize, and understand the factors influencing marketing management-, and branding-related activities. To accomplish that, an in-depth understanding behind branding concerning operations of international hotel should be developed.

Furthermore, the authors did not succeed in finding information on whether international hotels in Lithuania use standardized branding approaches, or they rely on strategies, which are customized to the market. Therefore, the authors recognize that there is a gap in this area of academic knowledge.

1.3. Purpose

The purpose of this thesis is to understand the rationale behind the structure, and operations of international hotel operators in Lithuania, with a focus on the hotels’ branding strategies. Furthermore, the thesis aims to investigate how companies use their brand image to position themselves in the market.

1.4. Research Questions

As the prime interest for the authors of this thesis is how international hotel companies operate within the Lithuanian market, the following questions should be answered in order to achieve the purpose:
1. Which segments do international hotel companies in Lithuania target?
2. To what extent international hotels companies standardize, or customize their branding and marketing activities according to the Lithuanian tourism market?
3. To what extent do international hotel companies rely on their brand identities, when positioning themselves in the Lithuanian market?

1.5. Delimitations

Although the primary goal of this thesis is to examine hotels, which operate in the Lithuanian market, the study is delimited to hotels situated just in the capital of the country, Vilnius. Furthermore, this study examines three hotels, which belong to three different international hotel chains. However, the number of examined hotels might not be enough to objectively draw conclusions for the Lithuanian hotel industry as a whole. Finally, due to the time constrains of the research, the empirical data, which has been collected, focuses only on the hotels’ perspective of marketing and branding, excluding the customers’ perspective on these matters.
1.6. Contribution

Until now, many researches have been carried out with intension to analyze the ways branding strategies are implemented to launch and sustain successfully operating hotel chains. Many reports are written on particular hotel’s or hotel chain’s branding strategies. However, an extensive investigation focusing on the comparison of hotels, operating in the Lithuanian market, has not been undertaken. Therefore, there is lack of literature in this field. Hence, this thesis will positively contribute to the academic community, as it presents primarily the comparison between hotel chains operating in the Lithuanian market. The thesis will encourage further research on hotel’s branding strategies by analyzing the extent to which the factors of globalization or localization are applied.

The findings of this paper are beneficial for Lithuanian hotel chains as they provide a practical insight on how companies are positioned in the market in relation to their competitors. Furthermore, the evaluation of branding strategies applied within different hotel chains is relevant and valuable for companies as it focuses on what is different about each organization. Consequently, this helps companies to better position themselves, compared to the other hotels operating in the Lithuanian market. This is relevant for companies while planning and developing their future branding strategies, which would contribute to a better performance.

According to the Lithuanian Development agency (2009), Lithuania is the largest tourism market in the Baltics. These rankings play an important role in tourists’ decision making while choosing their traveling destination. Therefore, it is expected to attract a lot of travelers for an upcoming year. However, all travelers require accommodation; thus, the hotel is an inevitable part of making traveling experience memorable. With an extensive choice of accommodation available in the market, the comparison of alternatives is beneficial in helping the consumer choosing the best according to their needs.
2. Theoretical Framework

This section presents the theories forming the framework of the thesis. The previously introduced concepts of Hospitality industry, Service marketing and branding and Brand identity will be explained in more detail. The section concludes with the presentation of a model on brand identity called The corporate brand toolkit.

2.1. Hospitality Industry

The industry of hospitality is considered to be one of the largest industries worldwide (Ottenbacher, Harrington & Parsa, 2009). It is a relatively new, but increasingly popular academic discipline. Ottenbacher et al. (2009, p. 263) claim that there is “no consensus on its scope and exposure of the field as a whole”. Therefore, the authors define hospitality by dividing it into different groups of industries, where the sectors of the hotel and restaurant industries are the most popular ones (Ottenbacher et al., 2009).

2.1.2. Hotel Industry

Although the accommodation providing industry has changed significantly over the past decades, it has managed to maintain and keep adapting to the changing social, business and economic environments (Vallen & Vallen, 2013). This results in the industry to be recognized as one of the largest, as well as most dynamic industries today, which constantly continues to grow (Gilmore, 2003). According to Gilmore (2003), the hotel industry has some great advantages in the sense that it provides facilities for the transaction of businesses, meetings and conferences, as well as for recreation and entertainment. Therefore, the hotel industry is usually perceived as a service-, and people-oriented business.

According to Vallen and Vallen (2013), executives in the hotel industry have to consider several special characteristics of the market, which limit the management flexibility. Some of these issues are applicable only to the hotel industry. However, some implications apply to other industries within the hospitality range as well. The two most relevant characteristics for this thesis are considered to be (1) location of the hotel and (2) the seasonality aspect, which are presented next.

The location is said to be one of the three most important aspects of the hotel real estate (Vallen & Vallen, 2013). However, according to Vallen and Vallen (2013), a good location is not easy to obtain. Even though the original location of a hotel is good, changing neighborhoods and unstable demographics can lead to reconsiderations about the location’s vantage. Unfortunately, there is no way to move a hotel building, therefore, a careful examination, before choosing any particular site, should be carried out. A fixed location in a changing neighborhood makes the hotel less dependent on location and more oriented towards developing good marketing and sales strategies (Vallen & Vallen, 2013).

The hotel industry is said to be a very seasonal business (Vallen & Vallen, 2013). The three following parts affect hotels’ seasonality – (1) type of hotel, (2) national celebrations and (3) the season of the year. In terms of the type of the hotel, the resort-type hotels are different from the business hotels. Resorts have more guests during the weekends and less in midweek. In contrast to that, commercial hotels are busier during the workweek and less on weekends. Hotels’ occupancy also depends heavily on major national celebrations, such as New Year, Christmas, Thanksgiving, etc. Hotel business
usually goes down the week before and several days after these holidays (Vallen & Vallen, 2013). Finally and naturally, the seasonality of hotels is affected by the seasons of the year themselves. Depending on the type of the hotel, one of the seasons, whether summer or winter, is usually busier. Thus, both summer and winter hotels are trying to extend their seasons by accommodating groups, conferences and special activities, attracting guests during the low business activity periods.

2.1.3. Hotel Segments

The need of further subdivision of various segments under the term “hospitality” was mentioned earlier. This division, also referred to as traditional classification, differentiates five different types of hotels, namely – (1) one-star, (2) two-star, (3) three-star, (4) four-star and (5) five-star hotels (Vallen & Vallen, 2013). The key criteria for rating hotels are as follows: cleanliness, maintenance, quality of furnishings, physical appointments, provided services and the degree of the luxury included. According to Kotler, Bowen and Makens (2003) these criteria allow researchers to group hotels, and while doing so, they permit to reach each customer segment more efficiently and effectively, while providing products and services that match the unique needs of each group. Although all the groups have the same focus - the warm welcoming of customers, they differ in terms of service, ranging from limited- to full-service (Kamath, Bhosale & Manjrekar, 2008).

Limited-service hotels are mainly concerned with offering nothing more than a clean room and a good mattress, while full-service hotels, on the other hand, offer superior value and a range of extras, including lounges, room service, exercise facilities, etc. (Vallen & Vallen, 2013). As mentioned earlier, both limited- and full-services can be applicable to differently ranked in terms of stars hotels. As this thesis includes hotels assigned to the three-, four- and five-star categories, more detailed information is presented only on those three particular categories.

Three-star hotels usually offer their guests all of the following features - better-quality furniture, larger bedrooms, a restaurant on the premises, room service, saunas, swimming pool, etc. (Vallen & Vallen, 2013). If some of the features are lacking, it means that some other amenities are outstanding. Even though luxury in three-star hotels is usually lacking, cleanliness and comfort are regarded as crucial factors.

Hotels, which fall in the group of four-star hotels, are referred to as “outstanding” (Vallen & Vallen, 2013). Stays in such hotels are said to be memorable. Four-star hotels must ensure that all of the essential services are offered. Such hotels usually have established high standards within their companies; therefore, they guarantee high standards of quality to their customer. Consequently the price charged for the hotels assigned to this group is often higher than average.

Places, which are awarded five-stars, are those that go beyond comfort and service to earn the description of “one of the best in the country.” (Vallen & Vallen, 2013). Five-star hotels offer a superior restaurant, although it does not necessarily have to be ranked as highly as the accommodation. According to Vallen and Vallen (2013), twice-daily maid service is standard in these establishments. Moreover, an exclusive or antique design of rooms and lobbies is distinctive for these hotels. Every guest is treated as a very important person by all employees.
2.1.4. Business Tourism

Business tourism is defined as work-related traveling, which deals with all non-voluntary trips that are a consequence of either deliberately engaging in work, or accidentally, when dealing with work-related issues (Ritchie, 2000). It is as a form of tourism for “commercial, governmental or educational purposes, with the recreational (leisure) part as a secondary motivation” (Virgil & Popsa, 2014, p. 703). Business tourism can be exercised in many forms, including team buildings, training trips, as well as individual, or group trips (Virgil & Popsa, 2014). Hotel chains, tour operators, exhibition centers and business centers compose a major part of the wide range of actors who operate within the business tourism sector.

Business tourism is recognized to have many advantages for service companies. These include financial profits, autonomy against the natural conditions of the market, as well as diminishing the effect of seasonality on business (Virgil & Popsa, 2013). Furthermore, Virgil and Popsa (2013) suggest that every country’s tourism sector, economy and individual tourist destinations can benefit from the efforts directed towards the development of business tourism.

Furthermore, Callan and Kyndt (2001) claim that the frequent business travelers play a core role for the major hotel chains’ profitability. In that manner, a study illustrates that for certain hotel chains this target group represents more than fifty per cent of their total business (Davidson, 1994). Although, the business travelers market is smaller compared to the leisure travelers, the business traveler makes use of the services provided by the hotel more intensively (Fawzy, 2010). Thus, this market segment has an increasing importance and creates a more competitive market environment within the hospitality industry.

As Wang and Beise-Zee (2013) state, business travelers form one of the main markets for the midscale and upscale hotels. The hotels operating in these segments often work with customers, who are part of the meetings, incentives, conventions and exhibitions (MICE) business tourism industry. MICE is one of the fastest growing and most profitable sectors within the entire tourism industry (Fawzy, 2010). The requirements of the MICE industries are formed by the tasks the customers wish to achieve during their stay. Therefore, hotels having business travelers as a main target group tend to offer standardized facilities and services in order to maintain job performance. Moreover, business trips are comparably more secure than leisure ones, considering that leisure travelers are more sensitive to political and economic contractions. Business travelers, on the other hand, have little, or no choice whether to travel or not (Bartos, 1982). However, they are less tolerant to service failures, or any other inconveniences, therefore the hotel operators are required to maintain high quality performance (Mattila, 1999).

2.1.5. The Importance of Marketing in the Hospitality Industry

Marketing concepts are widely used in the business world to promote, sell and make customers buy products, or services (Widiarti, 2009). However, marketing concepts should not be used only for aiming to sell a product or service - they should be more concerned with satisfying customers’ needs by providing superior value (Tjiptono, 2007). The scholar suggests that marketing should be seen as the process of interaction and value exchange among various products and actors that form a market (Tjiptono, 2007). According to Kotler and Keller (2006, p. 31), the principles of marketing are de-
fined as the art and science of selecting a target market, and “getting, keeping and growing customers through creating, delivering, and communicating superior customer value”. Therefore, the concept of marketing has a significant importance for the hotel industry, as providing value for a customer is one of the main concerns for the hotel industry.

2.2. Service Marketing

The service-oriented nature of the hotel business supposes that marketing strategies and marketing tools differ from those used in product industries. Palmer (2011, p. 2) explains services as “the production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange, satisfies an identified need.” Several implications result from this definition. First of all, it can be claimed that services possess several features, which distinguish them from products. Services are intangible, as they cannot be felt with any of the physical senses and therefore they cannot be evaluated before receiving, which results in a high degree of uncertainty prior to purchase (Palmer, 2011). Moreover, services are characterized by inseparability – they are produced and consumed simultaneously; each service encounter is a unique experience. Finally, the perishability of services suggests that they cannot be stored - they perish immediately after being produced (Tsai, 2009).

The second implication, which can be drawn from the definition of service marketing, is that services are not always separated from tangible products. Consequently, while services are mostly intangible, they are, to some extent, characterized by tangible clues. This is the case of the hotel industry, in which customers, instead of evaluating only service performance, consider the sum of all physical evidences, the servicescape – the physical environment of the hotel and the service they receive.

Finally, services are said to be a form of exchange, which results from the identification of a need. This definition suggests that hotel operators should not only guarantee service quality, but also be aware of the needs and wants of their customers. Research works have drawn attention to the significant role of service value, and customer satisfaction as strategic goals for service marketing managers (Brady, Knight, Cronin Jr, Tomas, Hult & Keillor, 2005). Moreover, Brady et al. (2005) argue that the 4Ps, as well as the service environment, personnel activities and service policies should be constructed with consideration to customers’ needs, and should aim at the customers’ satisfaction. These characteristics and implications suggest that marketing efforts in service industries should be distinguished from the marketing endeavors undertaken towards products (Tsai, 2009).

2.3. Standardization and Customization

As discussed earlier, services are characterized by variability. Variability occurs because of the human input in the performance of services, and results in different service outputs. In the era of globalization, however, customers are recognized to behave similarly and to place the same demands with no regard to where in the world they are (Brady et al., 2005). Standardization is viewed as a way to diminish variability by minimizing risks and controlling the quality of output (Sandoff, 2005). Furthermore, the first one is used as a management tool to predict, control and shape service encounters (Sandoff, 2005). According to Sandoff (2015) pre-defined norms and standards ensure that every customer is enabled to receive the same information and to acquire the same
level of service. Furthermore, it is argued that standardization benefits not only the management, but also the company’s employees, as it provides a guideline for coping in different encounters, especially in problematic situations (Sandoff, 2005). Furthermore, standardization is recognized to facilitate employees’ tasks on every level of the company.

However, in the case of the hotel industry, high levels of standardization can lead to loss of service authenticity and neglecting of historical, architectural and geographical particularities of a certain destination (Lee, 2011; Yu et al., 2014). Thus, scholars suggest that service encounters could be regarded as unique experiences, where every customer’s particular needs are taken into specific consideration. Such approach to service provision is known as customization. In the service industries, customization suggests a certain level of diversification in accordance to the local market (Holjevac, 2003).

Both standardization, and customization can be beneficial practices for companies. However, scholars argue that a balance between the two market approaches should be found. Brady et al. (2005) suggest that managers in the service industry should adjust their activities in order to create the best fit between standardization and customization and the offering they provide in the particular market.

2.4. Branding in Service Marketing

The main challenge in service marketing, as well as in product marketing, is the launching and sustaining of a strong successful brand (Palmer, 2011). Merz, He and Vargo (2009, p. 329) recognize that branding has shifted from a company-provided property to a “collaborative, value co-creation activity” that benefits the organization and all stakeholders. Throughout the evolution of the concept, scholars have looked on branding from different perspectives. Brands have been perceived as an image of the company, as a relationship “partner” with customers and as a promise to the customers. Although all those perspectives are still valid, the beginning of the 21st century brought a new role for branding. Directors no longer perceive the brand as a "marketing engine" illustrated in logos, slogans, or symbols. Brands start being recognized as an asset, comparable with company’s personnel, equipment, or capital. Branding is visible in every interaction an organization undertakes with its stakeholders. Moreover, nowadays, scholars discuss brands as a continuous social process, where stakeholders are the primary actors in creating brand value (Merz et al., 2009).

Thus, it can be argued that companies thrive thanks to the built relationships and the mutual trust between the company and its stakeholders (Muylle, Dawar & Rangarajan, 2012). Continuous and repeated interactions, where promises are made and fulfilled, are needed in order to earn the trust of the stakeholders. The key to a truly valuable brand is the fact that reputation precedes the company, and interested sides can rely on a pattern of promises accomplished even when new customers are targeted. That means that brands are adding a corporate value (Farquhar, 1989). Thus, companies with strong brands are able to achieve a sustainable differentiation point, which results in greater financial benefits (Aaker, 1996).

2.3.2. Brand Image

Brand image consists of the association and perceptions, which are created and held in the mind of the customer, when being in touch with a brand (Doyle, 2011; Keller,
These associations affect directly the brand within the consumer’s memory (Aaker, 1996a; Aaker 1996b). In other words, a brand image relates to the client’s thoughts and feelings towards the brand (Roy & Banerjee, 2007). Moreover, the brand image is the combined mental image that consumers create for a brand, and it relates to its uniqueness in comparison to the other brands (Faircloth, 2005). According to Biel (1992), there are three components of the brand image. The author divides it into three sub-images - (1) the image of the supplier of the product or the service, in other words the corporate image; (2) the image of the user; and (3) the image of the good/service itself (see Figure 2.4). Although, the relative importance and applicability of these three elements vary by the category of the actual offering and by the brand itself, Biel (1992) claims that all three sub-images are incorporated in the operation of many leading brands.

Brand image is measured by the preference the client has towards a particular brand against other competing brands. Thus, in this sense, brand image is closely related to brand loyalty, as customer’s priority placed on a particular brand leads to repeated purchases of the branded products or services.

According to Hsiang-Ming, Ching-Chi and Cou-Chen (2011) the brand image is considered as a non-product attribute. It is represented by the individual symbolism that clients associate with the brand. It consists of all the descriptive and evaluative brand-related information. By this means, a positive brand image contributes to the power of influence of the brand messages on the decision-making of the consumers (Hsieh and Li, 2008). Thus, brand image plays a key role in the buyer’s behavior.

It has been argued that if a brand’s image is related to the attribute of the product/service and attitude of the organization, a favorable association and uniqueness in the consumer’s mind will be developed (Keller, 1993). Therefore, brand image can be used as a tool to position a brand within the market.

### 2.3.3. Brand Positioning

Positioning is all about creating a brand identity in the minds of the target market. Kotler and Keller (2008) determine the notion of positioning as the act of designing the organization’s offering, and the particular image the company wants to build in the minds of the targeted consumers. In order to achieve successful brand positioning, firms should assure that the customers understand the brand values in the way the company intends to. Moreover, firms should ensure that their service includes the brand value, which was identified earlier, and therefore, should aim at gaining loyal customers.

Hooley, Piercy and Nicoulaud (2008) also support the statement that positioning deals with the way a company influences its potential customer’s minds. Additionally, they claim that positioning is a continuous process of evaluation of the competitors’ positioning strategies. By comparing the latter to the company’s brand positioning, the managers are able to assess, if changes must be made. As customers’ decision-making is based on comparison, it is of main importance for an organization to position itself successfully on the market (Kapferer, 2001). The marketing efforts must not only focus on what the brand offers, but also on how this bundle of offerings is different from that of the competitors’. Considering that a major part of the hotel’s attributes are intangible, it makes it difficult for clients to differentiate competitive offerings. In order to help customers make that distinction, brand managers strive to position the organization using specific images, slogans and unique brand names that indicate these intangible attrib-
utes. Lewis (1981) suggests three elements describing a successful positioning: (1) the brand is differentiated; (2) the brand clearly shows a specific benefit for the potential customer; (3) the positioning builds an image.

2.3.4. Brand Identity Approach

The origins of the identity approach can be traced back to the beginning of the 20th century, when Peter Behrens worked in the position of “artistic consultant” for AEG with a simple vision – that the company’s products, design and communication should present one unified identity. Unlike other branding approaches, the identity approach evolved through the years led by the experience of practitioners working with identity within the area of marketing (Heding et al. 2009).

Academic literature on brand identity is preceded by research on the concept within the area of marketing in terms of visual and behavioral identity. The visual identity, as the name indicates, focuses on communicating the company through visual expressions. On the other hand, studies on behavioral identity suggest that consumers base their preferences more on the perceptions they have about the company itself. These two marketing streams of the identity concept are adopted by brand identity and are the base for the evolution of the notion. Thus, the key assumption of the concept is that “all marketing and communication activities should be integrated, aligned and elevated from a product-focused (…) to a strategic, corporate level” (Heding et al., 2009, p. 50).

The identity approach concentrates mainly on the corporate level of branding. This is preceded by the idea that the creation of a unified brand image would shift marketing and branding respectively from sales and advertisement efforts to a strategic activity applied throughout the entire organization (Heding et al., 2009). Corporate branding has several benefits for companies. First of all, as a result of the concentration on one unified brand, corporate brands reduce costs for the company and also give the customers a sense of community, since a sense of belonging to a brand with a distinctive image is created (Hatch and Schultz, 2001). Thereby, corporate branding predisposes to the active usage of all assets, which organizations possess, in order to create strong brands. Secondly, corporate branding emphasizes the role the employees play in the success of the company’s branding strategy.

The identity brand approach differentiates one core theme – brand identity, and four supporting themes, which are further divided into two internal elements – organizational identity and corporate identity; and two external elements – image, and reputation (see Figure 2.1).

Figure 2.1. Brand Identity: The Core Theme and Alignment Framework of the Identity Approach, Heding, Knudzen and Bjerre (2009, p. 60).
Corporate identity, which is an internal element, is identified as the sum of all physical and behavior clues, which represent the company. If corporate identity is communicated successfully to stakeholders, it will create a more meaningful and better-developed sign in the minds of customers (Urde, 2013). Thus, the main goal of organizations is to identify the sign they wish the company to be associated with, and to align it with every aspect of their business into one single entity (Urde, 2013). Corporate identity consists of two clusters. The first one is the visual perspective, with the focus on communicating the inward commitment of the organization through outwards signs, symbols and design. On the other hand, the strategic perspective concentrates on linking the corporate strategy, the company’s vision and mission, to the brand identity. Corporate identity acts as a facilitator making consumer’s choice easier in a competitive market place (Urde, 2013).

Organizational identity, the second internal element supporting the theme of the identity approach is concerned with the company’s structure, culture and behavior. It also examines how these aspects affect the creation of purposeful relationship between the organization and its employees (Heding et al. 2009). This element emphasizes the human resources, as the employees are the ones, who should deliver the service promised by the brand. They are also the ones, who have to reach the expectations of the customers, which are built by the brand’s reputation. In order to create and sustain a successful brand image, organizations should strive to implement values, and thus creating a positive and motivating working culture in the workplace (Heding et al. 2009). Such efforts should result in empowered employees, who maintain a strong and unique brand identity.

Corporate image, and reputation are the two external supporting themes of the brand identity approach. The first one focuses on presenting one consistent brand image to all stakeholders of the organization. The actual image of the brand often differs from what the company believes it to be. This is a result of the corporate image being a compilation of all stakeholders’ perceptions about the brand. Reputation, on the other hand, is concerned with the customer’s evaluation of the brand. It is more difficult to manage since opposite to brand image, reputation takes a longer time to establish, and is often taken into account only after being threatened. Investing in the firm’s reputation is a wise strategic move that adds considerable current and future economic and non-economic value to the organization. The corporate reputation is acknowledged to be one of the key components for a successful business. Favorable corporate reputation attracts investors, supports the company’s competitiveness and reduces the cost of capital (Fombrun & Shanley, 1990). Reputation can be improved through public relations (PR) and purposeful communication between the company and the audience (Heding et al., 2009). However, this thesis elaborates little on these two supporting themes, as the study is constructed to research brand identity only from companies’ point of view.

2.3.5. The Corporate Brand Toolkit

The four elements, which comprise brand identity, are very different. Therefore, organizations should strive to achieve a proper alignment between them (Heding et al. 2009). The corporate brand toolkit is the framework used to help practitioners in this undertaking. Hatch and Schultz developed the framework in 2001. The authors suggest that there are three stars of significant importance for brand identity. These are – (1) strategic vision, (2) organizational culture and (3) stakeholder’s image (see Figure 2.2). These three components correspond to the four supporting themes of the brand identity concept. The
strategic vision is closely related to the corporate identity of a company, while the stakeholder’s image can be linked to corporate image and reputation. With regard to the organizational culture, the component of the framework and the supporting theme of the approach overlap to a big extent. The corporate brand toolkit aims to align the three stars by developing all of them simultaneously. Another concern of the framework is identifying the existing gaps and misalignments between the elements.

Figure 2.2. Alignment of the Strategic Stars of Brand Ideantity, Hatch and Schultz (2001).

The main implication of the framework is that each of the three stars is driven by different players related to the organization. The vision and culture are dependent on the two internal groups of people – the top management and the employees respectively, while external stakeholders, such as customers, shareholders, and general public, affect the image (Heding et al., 2009). Hatch and Schultz (2001) identify three gaps, which might occur when applying the brand identity approach – (1) the vision-culture gap, (2) the image-culture gap and (3) the image-vision gap.

The first gap, referred to as the vision-culture related gap, occurs when the top management develops a vision for the company, which is neither fully understood, nor supported by the employees. The gap might result in distrust, suspicion and frustration within the company, which can destroy the brand from inside (Hatch & Schultz, 2001). The second one, the image-culture gap, identifies a company’s image, which is not well aligned with the organizational culture. The outcome of this gap is confusion among customers, who receive a service different from the one being promoted by the brand. Finally, the image-vision gap identifies a clash between how the top management wishes to position the brand, and how it is actually perceived by shareholders (Hatch & Schultz, 2001). This thesis focuses on analyzing the first and second gaps of the brand identity toolkit framework.
3. Method and Methodology

This section explains the choice of method and methodology selected for this thesis. First, it presents the method chosen for collecting the necessary, followed by the analytical procedures, which are used in order to draw conclusions based on the information gathered.

3.1 Research Approach

There are two distinct approaches, which influence the design of a research – inductive and deductive (Saunders, Lewis & Thornhill, 2009). The decision, which approach should be used depends on the nature of the research topic and the purpose of the study. This thesis aims to examine branding strategies used by three international hotel chains, which operate on the Lithuanian market. The inductive approach implies that the authors study patterns derived from the empirical data with a few preconceptions. As the hospitality industry in Lithuania is a relatively new discipline, which has not been yet deeply explored, the inductive research approach was chosen for gaining better knowledge. Moreover, according to Saunders et al. (2009), the inductive approach is considered to be more flexible and to allow empirical data to generate theory continuously. Thus, this approach was considered to be more suitable for fulfilling the purpose and answering the research question of the thesis.

3.2 Choice of Method

There are three core research approaches that can be used while conducting a study – (1) qualitative, (2) quantitative and (3) mixed, which includes the combination of the first two (Harwell, 2011). Some major characteristics are used to distinguish these approaches. According to Bryman and Bell (2011), the main differences include the three following aspects. First of all, a quantitative research entails a deductive approach, where the accent is placed on testing of theories. Also, it incorporates the practices and norms of the natural scientific model and embodies a view of social reality as an external, objective reality (Bryman & Bell, 2011). On the contrary, a qualitative approach suggests an inductive approach, with the main focus on the generation of theories. Such kind of approach, opposite to the quantitative one, rejects positivism and practices of the natural scientific model, and rather relies on the ways, in which individuals interpret their social world (Bryman & Bell, 2011). Moreover, qualitative approach embodies a view of social reality as a continually changing emerging property of individuals’ creation. At first glance it might seem that both approaches are very different and can be easily distinguished. However, sometimes it can be confusing, which approach should be used as the distinction between qualitative and quantitative data is not always clear-cut (Crowther & Lancaster, 2009).

3.2.1. Qualitative Method

This thesis relies on a qualitative research, with a main focus on discovery, and aims to expand current knowledge in the field of hospitality management and branding within the Lithuanian hotel industry (Burke & Christensen, 2012). According to Harwell (2011), this type of approach focuses primarily on collecting qualitative data in order to give a meaning to the research participants’ experiences and to understand their point of view, perspectives and beliefs.
Qualitative studies are usually conducted as observations and in-depth interviews by asking participants in the research open-ended questions. Thus, the researchers are encouraged to develop theoretical explanations based on their own understanding and interpretations of the observations (Burke & Christensen, 2012). Moreover, the qualitative method is also characterized as more flexible compared to the quantitative method, as the first one concedes greater spontaneity and adaptation of the collaboration between the researchers and the participants of the study (Mack, Woodsong, MacQueen, Guest & Namey, 2011). Therefore, it makes the relationship between the parties involved less formal and ensures a higher level of reliability of the information gathered. Thus, this thesis is mostly aimed at finding reasonable explanations for different aspects of branding, which are applied within the Lithuanian hotels industry. In order to fill the existing gaps in this knowledge, and meanwhile to create the foundation for future investigations, the qualitative research method was chosen to be used.

3.3. Research Design

There exist different forms of qualitative research traditions, and the design of research within each of them has distinct features (Creswell, 2007). Bryman and Bell (2011) distinguish five types of qualitative research. These are: (1) experimental, (2) cross-sectional, (3) longitudinal, (4) case study, and (5) comparative research designs. Each of the forms possesses particular features based on their attempts. This thesis focuses on providing a detailed and in-depth understanding of marketing and branding strategies used in the Lithuanian hotel industry. Therefore, a form of a case study research is chosen.

3.3.1. Case Study

A case study, according to Bryman and Bell (2011), entails a detailed and intensive analysis of a single case. There are many definitions of the term “case study”, however, this thesis focuses on the one suggested by Ejvegård (2009). He describes case study as a suitable choice, when the researcher’s goal is to obtain a perception of how something works, or how it appears (Ejvegård, 2009). A case can be referred to one of the following entities: (1) a single organization, (2) a single location, (3) a single person or (4) a single event. Case studies are usually associated with a geographical location and are applied to qualitative studies (Bryman & Bell, 2011). As this thesis aims to provide insights of how branding strategies are applied at a single location, in this case – the country of Lithuania, a case study research was chosen.

3.4. Creating an Interview

To collect relevant primary data, the authors of the thesis used interviews, which were carefully designed according to the theoretical framework. Saunders et al. (2009) claim that the use of interviews can help researchers to gather valid and reliable data that is relevant to their purpose and research questions. Therefore, the interview should be designed in a way that ensures the quality of the study. To achieve this goal, the authors referred to Saunders et al. (2009), and followed the steps recommended by them: (1) to explain the purpose of the interview in a clear manner, followed by (2) careful formulation of each question, with a great significance placed on (3) structuring the entire layout of the interview. A pilot study was also included, first by testing the interview with a Lithuanian candidate and subsequently testing by questioning an English participant.
3.4.1. Translation

The interview was originally prepared in English and then translated into Lithuanian. According to Saunders et al. (2009), translation has significant importance to the quality of the study since poorly translated interview questions might lead to troubles in understanding the original intention of the questions and therefore provide unreliable answers. However, translating has some challenges. The one relevant to this study is referred to as the translator responsibility to ensure that the questions are understood by the respondent in the way it was intended by the authors of the research (Saunders et al., 2009). Thus, the authors ensured that the questions had the same meaning to all respondents.

3.4.2. Pilot Study

Before the interviews were started the authors recognized the need to test the process of interviewing participants. In order to investigate if the prepared interview material was relevant and yielding the kind of information that was needed, the decision to conduct a pilot study was taken. Turner (2010) discusses the importance of implementation of a pilot test, while defining it as a program used to help determine potential problems, flaws or other limitations, and while doing so, to prevent them from occurring in the actual interview process. Baker (1994) strengthens this opinion by stating that pilot tests should be used as a research tool to pre-test, or try-out, the applicability of the prepared interview material. Therefore, a pilot study was conducted in this thesis. Besides, it provided the authors with an opportunity to ask the questions to a person, who will not participate in the real study. Bryman (2002) further suggests that the pilot study serves as a tool to discover inaccuracies in the interview questions and to provide a chance to rehearse the interviewing.

However, to gain the maximum benefit of the test, there are certain rules, users of pilot tests should be aware of when setting their pilot test. According to Simon (2011), the most important rule is to conduct a pilot test with candidates that share similar interests and knowledge as those that will take part in the implemented study. Therefore, to ensure that the candidates included in the pilot test are alike to the participants of the real study, the authors of this thesis conducted the pilot test with two representatives working at hotels, which were not included in the study. The first test was conducted with Mr. Tomas Jarusevicius, the Managing Director of Shakespeare Boutique Hotel located in Vilnius. The test was completed in Lithuanian, as the initial plan of the study was to conduct interviews in the two languages - Lithuanian and English – depending on which language was seen as more comfortable for the interviewees. To test on an English-speaking candidate, the second interview was made with the representative from Sofitel Bahrain Zallaq Thalassa Sea & Spa, (name not disclosed). The pilot study helped the researchers to reformulate some of the questions into an easier to understand form and also to include additional questions in order to avoid follow-up sessions and to exclude questions, which appeared to be repetitive. The pilot study proved to be a helpful tool in achieving a better-structured interview.

3.4.3. Preparation for the Semi-structured Interviews

As was discussed earlier, the authors used the pilot study to structure the layout of interviews and practice before the actual interviews were started. However, the real process of interviewing required several other preparation-related aspects to be considered. Preparation for the semi-structured interview, according to Turner (2010), is
one of the most important things in the entire process of interviewing. McNamara (2009) states the same fact and therefore distinguishes eight principles in order to provide the greatest benefit of the undertaken research study. All eight elements are discussed next:

1. Choose a setting with little distraction – the researchers had to ensure that there were no extraneous noises. Also a confirmation from the interviewee that he/she was in a comfortable environment ensuring that he/she was not restricted or his/her willingness to share information was not affected in any other way;
2. Explain the purpose of the interview – the author explained the goal to ensure that both parties are aware of subject in matter;
3. Address terms of confidentiality – explanations of how the information will be used and who will have access to it - was clarified;
4. Explain the format of the interview – details on the interview nature and sequence was explained;
5. Indicate how long the interview usually takes – the researchers ensured that the interviewee was willing to designate the time agreed in advance;
6. Providing contact for further communication – the researches provided their personal contacts in case interviewee will have some questions after the actual interview. Also the authors got a permission to reach applicant for follow-up questions;
7. Assuring that everything is clear from the interviewee’s perspective - the interviewers asked candidates if everything was clear;
8. Recording interviews – the authors asked for permission to record the interviews.

3.4.4. Preparation for the E-mail Interviews

The e-mail interviews, similarly to the semi-structured interviews, required preparation in advance. Although, both preparations included several very similar aspects, the preparation for e-mail interviewing required more parts to be considered. In term of e-mail interviewing the authors had to deal with the following aspects:

- Explain how you came across the source’s name – the researcher explained how they found the contacts or who referred them to that particular person;
- Introduce and state the purpose of the study – basic introduction of the thesis, the authors, as well as the purpose, along with the motives of the research were provided. Also, the benefits for the company from the collaboration, as well as the issues of confidentiality were stated, followed by the explanations of what information will be needed to accomplish the purpose. Finally, the timeframe was stated, as an exact date, by which the interviewees were expected to send back their answers;
- Obtaining the permission to send the interview questions – the authors were permitted to send in the interview questions.

3.4.5. Selecting Participants

Another important element of the interview preparation is selecting the most relevant participants for the study (Creswell, 2007). According to Dyamon and Holloway (2011), researchers should gain access to informants, who can provide the most reliable and relevant information related to the topic of interest. This is important in order
to expand the understanding of the social phenomenon under study. Therefore, scholars suggest that candidates should be selected in a strategic way, so that those, who are assessed, can contribute to answering the research questions being presented (Dyamon & Holloway, 2011).

However, it is important that the researchers are aware of the criteria that will be relevant to the inclusion or exclusion of employees of the selected organizations (Bryman & Bell, 2011). Burke and Christensen (2012) strengthen the previously stated opinion by suggesting that researchers should define a set of criteria that the individuals to be examined must possess, and use those attributes to distinguish the people suitable for the study from those, who should be excluded from consideration. Therefore, the specific selection criteria were determined as a list of attributes the candidates were required to match. The list of the selection criteria included the following conditions:

1. Individual’s position within the company - the authors consider that employees, who have positions related to marketing and sales have the most relevant experience and knowledge to the research purpose;
2. Individual’s work experience with the company – the authors consider that a person, who has worked at the company for a minimum of one year, has an adequate understanding of the company’s structure and daily activities.

3.5. Data Collection

Burke and Christensen (2012) distinguish six most commonly used methods for collecting data – (1) tests, (2) questionnaires, (3) interviews, (4) focus groups, (5) observations, and (6) secondary or existing data. These types of methods are used to obtain the research data needed from the participants in the research. However, all the methods differ in some way or another. Therefore, the decision, which method should be applied depends fully on the initial purpose of the study.

The main aim of the thesis was to investigate how different branding strategies and aspects of branding are used on the Lithuanian hotel market. To accomplish this, the use of interviews was recognized as the most efficient way of data collection. Moreover, it allowed obtaining information, which reflected the personal views of the employees working at different hotel chains that operate on the chosen market. Also, the study included documents as secondary source of data. According to Bryman and Bell (2011), acquiring secondary data documents is seen as an alternative to collecting primary data. Considering the restrictions of this thesis, such kind of documents allow to access information in a less time-consuming and facilitated way.

3.5.1. Semi-structured and E-mail Interviews

The data needed for the study was collected thought semi-structured and e-mail interviews. This choice of methods for the data collection was selected because of the geographical disperse between the interviewees and the interviewers. Besides, these type of methods were considered to cost considerably less to administer than telephone, or face-to-face interviews.

According to Bryman and Bell (2011), semi-structured interviews seek to obtain information about issues that cannot be directly observed and to provide greater relevance to the interviewee’s point of view, knowledge and reasoning. Therefore, the study used the interview design to gain a deeper understanding of the branding strategies applicable on the Lithuanian market.
The interviews were conducted via Skype because of the physical distance between the interviewers and interviewees. The participants were asked to answer open-ended type of questions. This type of the interview is characterized by asking all participants both the questions prepared in advance by using exactly the same wording and sequence determined in advance and questions that arise naturally during the interview (Burke & Christensen, 2012). Asking semi-structured questions allows the participants to contribute as much detailed information as they desire and also provides the researcher with the opportunity to ask follow-up questions if more clarity and explanations are needed (Gall, Borg & Gall, 2003). In this particular study, follow-up questions were used to gather more precise definitions, while getting the research candidates to elaborate on some of their answers.

E-mail interviewing was chosen as the most viable alternative to the semi-structured interviews. Meho (2006) distinguishes several major benefits of choosing an e-mail type of interviewing. Firstly, it allows the researcher to interview more than one participant at a time. Furthermore, interviews can be conducted all around the world, as e-mail can be sent irrespectively of the geographical location or time zone. The geographical distance was one of the biggest challenges for this study, as the researchers were located in Sweden, while the focus of the study was on the Lithuanian market. Therefore, the e-mail interviewing was seen as one of the best applicable methods.

However, it is important to mention that several challenges can occur while gathering information via e-mails (Meho, 2006). The most common one, which was also reported in this study, is referred to as delays. Even though the timeframe for answering the questions was provided, there was no guarantee that all of the participants would manage to send in their answers on time. According to Meho (2006) some delays can last up to several months or the e-mails can even be completely ignored. In order to avoid this happening, reminders have been sent out to the participants. This study also faced a delay of one week for one of the interviews. Fortunately, that was the only delay, which occurred during this research.

Another challenge, the authors had to deal with, was the receiving of many unclear or explanation-lacking answers. This required reaching the interviewees again in order to get more clarifications, or ask newly formulated follow-up questions.

3.5.2. Secondary and Existing Data

To support and strengthen, or to deny the newly established claims, the use of secondary data and data from previously undertaken studies was also included in this study. Bryman and Bell (2011) define such data as documents that have not been produced at the request of a business research, but instead were gathered, recorded, or left behind at an earlier time simply waiting to be discovered and analyzed. Also, as was already mentioned before, the use of secondary data is a time saving and much easier accessible method compared to primary data (Bryman & Bell, 2011).

Bryman and Bell (2011) distinguish five main types of secondary data. However, this study does not include all kinds of documentary sources, but rather concentrates on the following three:

- Public documents – documents deriving from an inquiry or legal investigation. Such documents were used to access the information of potential significance
for business researchers, as well as have source of getting statistical information;

- Official documents – documents deriving from organizational sources, such as company annual reports, policy documents or other internal memoranda. This source of documents provided the authors of the study with valuable background information about the companies as well as helped the researcher to build up a better description of the organizations included in the study and, based on that, to structure the layout of the interview including the information that could not be found in existing documents;

- Virtual outputs – documents that can be found on the Internet. The authors saw the huge potential of the Internet as a source of documents, as it includes the vastness of and easy accessibility to texts.

3.6. Data Analysis

The purpose of the data analysis is to sort out the large quantity of information gathered in order to address the research questions and purpose, as well as to draw the conclusions of the study (Oghazi, 2014).

As mentioned before, the authors of this study chose to use a qualitative research approach. It was seen as the best approach for gathering broad information from informants in order to be able to answer the research questions properly. Analyzing the data made the authors to go back to the theories gathered to see which theories correspond to the data collected. This was done in order to be able to draw conclusions.

3.6.1. Transcribing Interviews

After both semi-structured and e-mail interviews were conducted, the authors first had to transcribe the recorded interviews, which, according to Bell (1995), is an important step to be taken. Bryman and Bell (2011), distinguish several advantages of transcribing interviews. First of all, it improves the memory of what was said and provides an opportunity to listen to the material several times to get an accurate representation of the information. Secondly, it allows the researcher to keep only the information relevant for the study and exclude all the data that is unnecessary or unrelated to the subject matter. Moreover, the transcriptions permit a more thorough examination of what the informants said.

3.6.2. Sorting the Data

After all the necessary data was transcribed, the authors sorted and separated headings in the empirical presentation in the following order: (1) background of the mother company and the hotel being examined, (2) the interviewee, (3) structure, standards, and control, (4) marketing department – structure and functions, (5) target customers, (6) competition, and finally, branding in connection to (7) loyal customers and (8) brand image. Some of the headings include further sub-headings.

3.6.3. Discussion of the Findings

In the analytical part, the authors discussed the similarities and differences between the data, which was collected. Based on that, the conclusions in support of the theoretical framework were drawn. The topics, which are covered, in the analysis are (1) hospitality and hotel industry in Lithuania, followed by (2) the hotel market in Vilnius. After that, (3) target customers and aspects related to (4) the location of hotels...
are investigated. (5) Standardization and customization is discussed next. The analysis continues with (6) with the examination of the identity approach discussed in an order corresponding to the approach presentation in the theoretical framework. Finally, the analytical part is brought to an end with (7) the overview of the examined hotels’ brand identity and structure.

3.7. Assessing the Quality of the Research

One of the most crucial aspects of conducting a research is guaranteeing the quality of the study. Quality is usually indicated by the extent to which the material, included in the study, matches the relevant criteria used for the evaluation. Daymon and Holloway (2011) distinguish three major perspectives of how to best define and assess the quality. The authors of this study have chosen the framework of alternative perspective for their thesis. This kind of perspective relies on proving the trustworthiness and authenticity of the “researcher’s careful documentation of the process of research” and the simultaneously made choices (Daymon & Holloway, 2011, p. 93). Both of the terms – authenticity and trustworthiness - have their own evaluating criteria, which will be discussed next.

3.7.1. Trustworthiness and Authenticity

A research authenticity is assured by the appropriate use of the participants’ ideas, while trustworthiness includes concepts of credibility, transferability, dependability and confirmability (Daymon & Holloway, 2011). According to Lincoln and Guba (1985), the study is considered to be credible if the reader identifies the internal meaning that the research has to its researchers in their own social context. Transferability is demonstrated by showing how different principles, models, or other figures that arise from the study might be applicable elsewhere based on comparison of the authors' new findings and any previously conducted investigations. Dependability of the study means that the research was carried out in a consistent and accurate manner. Finally, confirmability is evaluated by the extent to which the findings and conclusions of the study achieve the initial research aim - in other words, the evidence of the concepts of the research must be given (Daymon & Holloway, 2011).

3.8. Summary of Methods

To summarize, the primary data for this thesis was gathered by means of the qualitative research method. This method was chosen, as it has proved to deliver high trustworthiness and to provide good quality of the study (Lincoln & Guba, 1985). The quality of the study results from the use of multiple sources of evidence, along with the extensive in-depth interviews conducted particularly for this research and the inclusion of many other reliable sources of secondary data.
4. Empirical Findings

In this section a summary of the empirical findings derived from the interviews will be presented. It includes information from semi-structured and e-mail interviews.

4.1. Introduction

The results of the data collection method in the form of interviews are to be discussed below. This part summarizes the successfully completed interviews with three international hotel chains operating on the Lithuanian, or rather Vilnius market. The data was collected thought semi-structured and e-mail interviews during the months of March and April 2015. All the interviews were conducted by asking in-depth, open-ended questions. The semi-structured interviews were done via Skype. They were recorded and later on transcribed in text for more detailed examination. The interviews in the form of e-mails gathered the information needed by keeping constant contact with the informants through email conversations.

The following part summarizes all three interviews presented in the following order: (1) the interview with The Radisson Blu Royal Astorija Hotel, followed by (2) the interview with Comfort Hotel LT Rock’n’Roll Vilnius and concluding by presenting the findings from (3) the interview with Holiday Inn Vilnius. Each summary follows the same structure in regard to the arrangement of the content. The background of the mother company is presented first, followed by a short description of the brands selected for this research. The description includes advantages of the location, attractions situated nearby and restaurants operating in the hotel. Next, a short presentation about each of the interviewees is provided. Further, the degree to which the hotels are standardized, or customized in terms of the structure and standards, and quality control is discussed. Later on, the marketing department itself as well as the marketing strategies undertaken by each of the brands is discussed. The empirical findings section continues by identifying the target groups, major competitors and competitive advantages of each of the hotels. Finally, the results related to branding are presented. They cover the role that branding has in term of gaining customers’ loyalty, as well as the importance of branding in retaining these loyal customers. The brand image the companies are trying to be associated with is also discussed.

4.2. Interview with The Radisson Blu Royal Astorija Hotel

Interviewee: Giedrė Liandsbergaitė
Position: Social media, sales & marketing manager-coordinator.

4.2.1. Background of Radisson Blu

Radisson Blu is an upper upscale full service hotel chain, which is operated by one of the most dynamic hotel groups in the world – The Rezidor Hotel Group, with headquarters in Minneapolis, USA, and Brussels, Belgium. The Rezidor group is the mother company for Radisson Blu and Park Inn, which are the two core Rezidor Group owned brands operating in Europe, the Middle East and Africa. The Rezidor Group aims at appealing to a wide range of guests by offering accommodation at different levels of price, amenities and luxury ranging from family value and high-class comfort to high-end luxury.

The five-star Radisson Blu Royal Astorija Hotel is situated in Vilnius, the capital of Lithuania. The hotel is located in the center of the Old Town and is within a walking
distance to the major tourist attractions. This makes it easy for guests to explore the many layers of Lithuanian history and gives an opportunity for fashion lovers to visit premier boutiques and see the work of some of the world’s best designers only by taking few steps away from the hotel. The advantages of the hotel’s location also include a close proximity to the business district of Vilnius. The hotel welcomes its guests in a stunning Baroque style building combining the Lithuanian vintage architecture with modern services. The Radisson Blu Royal Astorija Hotel offers its customers a French-style dining at one of the best restaurants in the city called “Brasserie de Verres end Vers”. Guests are also welcome to choose from a variety of classic and creative cocktails at Astorija Bar & Library. The amenities of the Health Club, the indoor pool, the saunas, as well as rooms for both private and business events are also available for all the customers. Whether visiting Vilnius for business or pleasure, the Radisson Blu Royal Astorija Hotel offers a true "royal" experience with placing priority on the guest.

4.2.2. The Interviewee

The interview with the Radisson Blu Royal Astorija representative was completed via Skype on the 24th of March, 2015, and took approximately 70 minutes. The interviewee Giedrė Liandsbergaitė occupies the position of Social media, sales & marketing manager-coordinator. Even though Giedrė has been working in this position for only 1 year, she is known as a marketing “guru”, capable to provide the best answers to all marketing related questions. She is responsible for all marketing related activities within the company and for the marketing campaigns of the hotel.

4.2.3. Structure, Standards and Control

Giedrė presents Radisson Blu Royal Astorija as a standardized hotel in relation to structure, standards, and work processes. According to Giedrė, any big hotel chain, especially brands operating under the Radisson’s family name, aims to be standardized and to function in the same way with regard to day-to-day activities. She mentions that standardization is a fundamental concern applicable to all brands within the chain, as the hotels are monitored on how they work, how they pursue major activities and if they keep the required standards. One of the reasons why it is vital to perform in a particular way, which is applicable to the entire chain, is to ensure the consistency and quality of the service delivered to the customers. Giedrė also highlights the importance of the strict quality control, which is implemented throughout the Radisson chain, in contributing to the good performance of the hotel in relation to other actors on the market.

4.2.4. Marketing Department – Structure and Functions

The marketing department of Radisson Blu Royal Astorija Hotel can be described as partly centralized. Giedrė mentions the three-way operating marketing system, which is both centralized, and decentralized at the same time, depending on what is being promoted. According to the interviewee, the “three-way marketing system” includes the following parts – (1) minor promotions, which come from Brussels, these are Europe-based decisions; (2) promotions from the Russian quarters, as the hotel in Vilnius, along with the rest of the Radisson Baltic hotels, belonging to the Russian market; and (3) promotions that are made by the Lithuanian marketing team. In order to explain each of the parts better Giedrė provided the following examples – directions for a marketing campaign related to the Earth Hour came from Brussels, it
is centralized and applicable to all Radisson hotels. Initiatives related to the Russian New Year came from the Russian side, and they were applicable only to the hotels within the Radisson chain, which operate in the Baltic countries. Finally, promotions related to Lithuanian celebrations and national days are applicable only to the hotels in Lithuania.

According to the interviewee, in terms of marketing initiatives and activities, Radisson Blu Royal Astorija Hotel is much more advanced compared to other hotels, and is the leader on the Russian market. The main reason behind the successful marketing department of the hotel is the motivation the team receives from the regional managers as well as from the owners. They set high standards and encourage the employees to work towards occupying higher market shares. To sum up, being constantly challenged by the owners results in Radisson Blu Royal Astorija Hotel being considerably more advanced in their marketing, and in achieving more in terms of visibility and profitability of the hotel.

4.2.5. Target Customers

Giedrė identifies several groups, which are considered as the Radisson Blu Royal Astorija Hotel’s target customers. These include older, wealthier travelers, as well as tourist groups. However, the main target group consists of foreign, mainly American, business travelers. Giedrė also mentions the changing clientele according to the seasons of the year. She recognizes the difference between the summer and winter season clients. The hotel attracts more leisure travelers and tourist groups during the summer, while business travelers are more common during the winter months. Moreover, business clients in general are said to be the ones bringing the highest profit to Radisson Blu Royal Astorija Hotel.

4.2.6. Competition

Giedrė identifies Kempinski and Radisson Blu as the two major competitors in Vilnius. Kempinski Hotel Cathedral Square is another five-star hotel and is a new brand on the Lithuanian market. The interviewee mentions that Kempinski is everything that Radisson Blu Royal Astorija Hotel no longer is. Meanwhile, Radisson Blu Lietuva is another hotel from the Radisson chain, which takes a lot of the business share in Vilnius. Therefore, even if belonging to the same family of Radisson, the two hotels still compete for the same market.

During the Skype conference, Giedrė was also asked to distinguish factors that help the hotel to gain competitive advantage. Location was identified as the most important factor. As mentioned above, the hotel is located in the middle of the Old Town where everything is reachable on foot. As Radisson Blu Royal Astorija is one of the oldest hotels on the market, the employees within the company are well aware of what the challenges in the hotel industry are, as well as of what makes a hotel successful on the market. The hotel staff is well prepared to work with the customers and to provide them with the best experience, not only theoretically, but in practice as well. Therefore, being familiar with the market is recognized as the second advantage in comparison with the hotel’s rivals. Finally, Giedrė states that every guest, who chooses to stay at the hotel considers three things – bed, location, and personal attention. These are the three aspects that Radisson Blu Royal Astorija seeks to ensure for each and every one of the guests staying at their hotel.
4.2.7. Loyal Customers

Asked about branding as a tool for gaining customer loyalty, Giedrė identifies two major aspects, which are implemented within Radisson Blu Royal Astorija Hotel’s strategy. Firstly, it is the name of the brand itself. The interviewee states that Radisson Blu is a well-known brand, which attracts a lot of foreign customers. Therefore, the brand name is seen as a positive means to reach those foreigners who are looking for quality, and who choose international brands sounding familiar. Even though the name helps a lot in gaining customers loyalty, Giedrė mentions that creating an excellent experience is mandatory in order for the guests to come back. The second aspect, which the interviewee identifies, is having good business relationship with the companies, which choose hotels for their customers. To ensure that, Giedrė explains, the team of sales managers is constantly trying to “pamper” business customers by inviting them to visit and take a look at the hotel. Furthermore, communicating the benefits of the hotel’s offers to its guests, as well as collaborating in solving issues that cause concerns are regarded as important efforts in earning customers’ loyalty. These aspects have a significant value, as, according to Giedrė, theoretically loyal customers are important, but practically they are the most important ones.

4.2.8. Brand Image

The brand image that Radisson Blu Royal Astorija Hotel seeks to be associated with is related mainly to customer satisfaction. The vision and mission of the Radisson Blu brand include their everyday motto “Yes I Can!” It is known as a Radisson Blu special mindset that puts the customer as the number one priority, and aims at guaranteeing a memorable and delightful guest experience. According to Giedrė, the motto is also used as a guide for assuring that the personnel meet any challenges, identify every opportunity for improvement and provide consistent excellent service independently from the location where the hotel is situated.

4.3. Interview with Comfort Hotel LT Rock’n’Roll Vilnius

Interviewee: Inga Bunkienė
Position: Director of Sales and Marketing.

4.3.1. Background of Comfort Hotels

Comfort Hotels is one of the six brands owned by the Nordic Choice Hotels - one of the largest hotel chains in Scandinavia and the Baltic region. Nordic Choice Hotels is a franchise bought from Choice International by Petter Stordalen. It is a Norwegian company with its headquarters located in Oslo, Norway. The company’s portfolio includes a wide range of alternatives, offering its guests a choice, not just in terms of price, but also in terms of the personal preferences they have. Allowing choosing from this variety of options, Nordic Choice Hotels aims at creating a tailored hotel experience for every guest every time.

The three-star Comfort Hotel LT – Rock ‘n’ Roll Vilnius is a modern, music-themed hotel with its own rock radio. The hotel is located close to the city center, with a close proximity to Vilnius Old Town, which can be reached within a 10-minute-walk. Comfort Hotel is mainly concerned with providing a good price for its customers. The company’s mission statement reads “Good looking hotels at good locations at a good price”. The Comfort Hotels provide free services, which are considered to be necessary from the company’s point of view. It includes unlimited free tea/coffee, Wi-Fi
in all rooms and the lobby, organic breakfast, and a 24/7 gym. To guests seeking more exclusive amenities the hotel offers purchase spa, Vilnius sightseeing, or golf packages. With a focus on business customers, the hotel has four urban designed music-themed meeting rooms, with a capacity of up to 110 people. The hotel also offers its guests the chance to try European cuisine in the TIMES restaurant, which is run by one of the best chefs in Lithuania. Thus, staying at Comfort Hotel LT for leisure or business, a good service at a good price is guaranteed.

4.3.2. The Interviewee
The interview with the Comfort Hotel representative was conducted via e-mails during the period from 25th of March 2015 to 2nd of April 2015. The interviewee Inga Bunkienė occupies the position of Director of Sales and Marketing. Inga has 18 years of experience in this field, however only 3 years and 2 months of experience at Comfort LT. Inga is responsible for the overall business performance and strategy development of the hotel. Her tasks also include taking care of activities related to developing, coordinating and communicating marketing strategy, managing the marketing mix, researching and reporting on external opportunities, making customer-focused decisions and identifying current and potential customers’ needs. Inga deals with all kinds of sales and marketing related activities that must be considered in order to improve the hotel’s key financial and customer-related metrics.

4.3.3. Structure, Standards and Control
Comfort Hotel LT is standardized in terms of reservation, customers’ management, revenue management and IT services related aspects. However, marketing and sales related issues, according to Inga, are localized for the individual hotels. The hotel located in Vilnius, along with all other hotels under the Comfort brand, follows the standards defined in the Brand book. Bunkienė (2015) defines the Brand book as the set of guidelines explaining how the brand works. According to the interviewee, these rules include basic information on the overview of the brand’s history, visions, personality and key values.

Moreover, Comfort Hotel LT belongs to the Baltic division of Comfort hotels, where the director for the Baltic countries is accountable for the managerial strategies, which are applicable worldwide. The Director for the Baltic countries is also responsible for evaluating the impact these strategies could have on the hotels in the region.

4.3.4. Marketing Department – Structure and Functions
Inga states that the marketing department of Comfort Hotel LT is not unified. Comfort Hotel LT, similarly to all other hotels within the chain, has its own unique, fully customized strategies managed by an independent marketing team. However, it is important to mention that the chain has a Director of Marketing who deals only with global-related questions, for example, the way the company’s slogan should be formatted, updated, or changed over time. These decisions are applicable within all Nordic Choice Hotels owned brands. However, as already mentioned, all other decisions are individually made, based on the different concepts each hotel has. To demonstrate this, Inga gave an example. In comparison to the other brands within the group, Comfort Hotel LT does not provide room service, as it is more of an economic class hotel. This is applicable only to the Comfort hotel in Vilnius.
4.3.5. Target Customers

Business and leisure travelers, as well as conferences planners, are the customer segments distinguished as Comfort Hotel LT clientele. Moreover, Comfort Hotel LT has its regular loyal group of customers and several long-term agreements with business travelers and organizations. These agreements provide more value for the customers by offering a wider range of free-of-charge services and more flexible pricing. Inga mentions that customers falling in the midscale segment are the most common guests. In contrast, the hotel often accommodates top management representatives and show business stars as well.

4.3.6. Competition

Inga identifies four major competitors of Comfort Hotel LT. These are Novotel Vilnius, Holiday Inn Vilnius, Radisson Blu Lietuva and Europa City. All the hotels are focused on business travelers and are located in close proximity to each other. However, according to the interviewee, Comfort Hotel LT has several aspects, which are considered as competitive advantages. First of all, Inga mentioned that Comfort LT is a new hotel built with high quality materials. Secondly, the hotel has a good location with close proximity to the Old Town. It provides its guests with many spots for parking, which is considered to be a problem for most of the hotels located in, or close to, the city center. Furthermore, as it was discussed earlier, the hotel offers “good looking hotels at good locations at a good price”. This strategy, according to Inga, is the third advantage of Comfort Hotel LT.

4.3.7. Loyal Customers

When Inga was asked to explain the role that branding has in terms of gaining customers’ loyalty, she stated that it is regarded as an essential tool for maintaining good relationships with guests. Inga explains that branding can be used as a measurement for providing standardized services within the brand. For example, breakfast in all hotels within Comfort Group must include the same diversity of food. All products must be healthy and ecological. The concept of being ecologic is also applied to the materials the hotel is built from, as all Comfort hotels must be built by using only natural resources. To strengthen customers’ loyalty even more, the company has launched the central loyalty program applicable to all hotels within the Nordic Choice Group. Thus, Nordic Choice Club gives its members the possibility to be the first to get Scandinavia's best hotel offers and deals. In addition, it allows earning bonus points during each stay, which can be exchanged for free hotel nights.

4.3.8. Brand Image

The brand image Comfort seeks to be associated with is the image of a hotel, which has no boundaries in terms of enthusiasm, creativity and freedom of its guests. Focusing on providing everything that the customer needs, which, according to Inga, is a comfortable bed, a full organic breakfast and a 24/7 gym, allows the hotel to follow the vision, which was identified above. In other words, the hotel provides only what is considered as most important for customers, avoiding unnecessary increases in price. This is done in accordance to Comfort’s slogan, which promises “Best value for money”.

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4.4. Interview with Holiday Inn Vilnius

Interviewee: Asta Sekmokienė
Position: Director of Sales.

4.4.1. Background of Holiday Inn

Holiday Inn is a multinational hotel brand, which is a part of one of the world’s leading and largest hotel chains - InterContinental Hotel Group (IHG). It is a British multinational hotel company with the headquarters in Denham, United Kingdom. IHG operates nine hotel brands across nearly 100 countries. Whether it is an overnight getaway, a business trip, a family celebration, or an once-in-a-lifetime experience, the number of brands ensures that IGH has the perfect choice for every need. Nevertheless, the company is constantly working towards achieving its goal to be the first choice for guests and meanwhile to build the industry’s strongest operating system focused on the biggest markets and segments.

The four-star Holiday Inn Vilnius is the third brand situated in Vilnius, which was chosen for this research. The hotel is located in the rapidly expanding Vilnius business district, while at the same time being in the vicinity of the Vilnius Old Town. The stunning view of Vilnius Old Town can be seen from the windows of the hotel rooms. Offering five well-equipped rooms for meetings, Holiday Inn allows its guests to carry out their business without stepping out of the hotel, as it provides all needed amenities. After a long day of meetings, the hotel invites its guests to rest in the relaxing sauna, or to enjoy a drink at the Lobby Bar, which offers more than 100 world famous whisky brands. Holiday Inn also provides a great dining option at the Rib Room restaurant, which is an ideal place for Ribs lovers and meat-cravers.

4.4.2. The Interviewee

The interview with the Holiday Inn representative was conducted via both e-mails and Skype. The primary data was gathered by communicating via e-mails during the period from March 24, 2015 to April 13, 2015. Later on, a final follow-up Skype conference was arranged on April 21, 2015. The interviewee, Asta Sekmokienė, occupies the position of Director of Sales. Asta has 8 years of experience in this position, 4 of which are dedicated to Holiday Inn Vilnius. Asta’s responsibilities include working with customers and partners in Lithuania, as well as in foreign countries, in order to discuss negotiation-, development- and procurement-related issues. Asta also works with the preparation of the hotel’s long-term strategy, yearly marketing and planning, as well as sales department organization and the management of various new and existing projects.

4.4.3. Structure, Standards and Control

According to Asta, Holiday Inn Vilnius is standardized, but at the same time it maintains some customized activities. Asta shares that keeping high quality standards is important in order to maintain loyal customers. Successful execution of standards allows the hotel to perform according to customers’ expectations in terms of quality, size of rooms, location and provided services. Even though the company tries to follow all IHG standards, the structure differs from hotel to hotel. The main standards determined by IHG are the ones related to trainings and quality inspections. IHG invests a lot in their employees. The chain constantly arranges internal trainings, exhibitions and other kinds of meetings, which can be attended by all employees. These
activities are not compulsory. However, some of the trainings require mandatory attendance. Such activities are arranged in order to introduce all personnel within the chain with the standards the hotels must meet. The trainings ensure that all of the employees deliver consistent service.

4.4.4. Marketing Department – Structure and Functions

Asta presents the marketing department of Holiday Inn Vilnius as an individual system, which is customized only for the Lithuanian market. She also brings up the fact that IHG-owned hotels in Lithuania - Holiday Inn Vilnius and Crowne Plaza Vilnius, do not have their marketing teams. Instead, all marketing-related activities, including planning, development, sales, promotion and others, are made by employees within the individual hotels. In the case of Holiday Inn Vilnius, Asta, like all of her colleagues, has the same influence and freedom for initiating activities, which could benefit the marketing management strategy. Furthermore, Holiday Inn is said to be the most “free” brand within the entire InterContinental Hotel Group in terms of how the marketing activities are carried out. The hotel differs from some other brands within the IHG chain, which follow impositions made by the mother company. However, considering marketing in the global context, Holiday Inn, like all other IHG-owned brands, is obliged to include and perform several particular marketing activities. For instance, the interviewee mentions the implementation of the Merlin interface within the entire IHG chain. This interface is launched and used in order to automatically manage some specific tasks undertaken by the management team. Being a member of the Rewards Club loyalty programme, as well as of other programs, which are executed within the chain, Holiday Inn Vilnius also implements activities, which are promoted by these programs.

4.4.5. Target Customers

Asta identifies business, MICE and leisure travelers as their main customer groups, which Holiday Inn Vilnius targets. However, the biggest importance is placed on the first segment, namely business travelers. As Holiday Inn is already a mature brand, it is currently working towards achieving a worldwide known label and towards being recognized as number one choice for business travelers. Therefore, according to Asta, the brand aims to reach expectations and meet all business travelers’ needs by providing convenience, reliability and flexibility, complimented with a broad range of business-related services.

4.4.6. Competition

When Asta was asked to distinguish the main competitors of Holiday Inn Vilnius, she pointed out to Novotel Vilnius Centre Hotel and Radisson Blu Hotel Lietuva. However, according to the interviewee, Holiday Inn Vilnius has several differentiators, which ensure better performance in comparison to its rivals. These are (1) the quality of the service, and (2) the manners, in which staff perform. Furthermore, Asta mentions that the competitive advantage Holiday Inn Vilnius has is the label of the friendliest hotel on the market and within the Holiday Inn chain as well. The concept of being the friendliest obliges Holiday Inn Vilnius to perform in a corresponding friendly way. Therefore, the hotel keeps the strategy of being close to its customers by arranging parties and other kinds of gatherings. These events are arranged in order to bring the staff and guests together, in order to establish personal relationships with each and every one of the customers. The final competitive advantage, which Asta
mentions is that the company seeks to apply the strategy of thinking out of the box in order to understand and meet customers’ needs in a creative way.

4.4.7. Loyal Customers

The interviewee was asked to explain the role that branding has in terms of gaining customers’ loyalty. Asta claimed that it is regarded as an essential tool, especially for Holiday Inn, as the brand places a great emphasis on maintaining loyal customers. The company is famous for launching the first reward program within the hotel’s industry, named “IHG Rewards Club loyalty programme”. This program permits members to earn points and to use them later on for booking cheaper flights and stays anywhere, even at competitors’ hotels. The points can also be used for discounts for various amenities. Also members of the club are constantly rewarded and provided with relevant offerings that strengthen their loyalty and enhance their relationship with the IHG’s brands. Moreover, the interviewee claimed that all staff within the chain are well trained and aware of all alternatives the Reward Club members can choose from. Therefore, the personnel seek to gain the customers’ loyalty by demonstrating sincere interest, and to update customers on different reward incentives, which are available at the given moment.

Asta shares several incentives directed towards ensuring customer loyalty that were undertaken earlier this year. A guest who stayed at the hotel for an entire month and at the end of the month had his wife visiting received an invitation for him and his wife to spend a day with some of the staff members in a nearby located city called Trakai, which is known as one of the most famous destination for tourists. Another strategy for image formation is related to the earlier mentioned randomly arranged activities and gatherings. Such events usually include pop-up quizzes, or contests with unusual prizes. For instance, the winner of the last music quiz arranged in Holiday Inn Vilnius won 100 kilograms of strawberries.

4.4.8. Brand Image

During the follow-up interview, Asta explained more about the brand image, which Holiday Inn Vilnius wants the hotel to be associated with. This image includes the hotel being recognized as business hotel, and, as already has been mentioned before, to be the first choice for business travelers. The interviewee also discussed in more detail some other aspects related to branding. These include staff performance and ensuring that the personnel are happy, friendly, and sincerely interested in the customers who are staying at the hotel.
5. Analysis and Discussion

In this section the theories discussed in the theoretical framework, and the empirical data gathered through the interviews will be combined, and analyzed. The section further presents a model and a table, which are developed by the authors, and which will provide the reader with a better understanding of the key findings of the thesis.

5.1. Hospitality and Hotel Industry in Lithuania

The acquired secondary data on the Lithuanian hospitality industry pointed out to the following findings. The Lithuanian market is seen as becoming a politically-, socially-, and financially safer market with every year, which makes more and more international companies to consider investing in the country (Sorainen, 2015, p.47). Besides, a Lithuanian government agency called “Invest Lithuania” constantly initiates various projects, providing free advice and introductions to the basics of the local market. These activities are carried out by experts and target international companies interested in doing business in Lithuania (InvestLithuania, 2015). Providing guiding through every step of the process of setting up operations in Lithuania makes the market even more attractive to international businesses.

Moreover, Lithuania is an emerging and comparably cheap destination with high potential growth and attractiveness to foreigners. Although the hospitality industry is relatively new in the country, the real estate market annual overview report by Sorainen (2015) identifies that during the last decade, excluding the years of financial crisis and the period of recovery afterwards, the industry demonstrated a flowing growth. Moreover, in the last three years the Lithuanian tourism sector continued to show high results with constantly growing flows of foreign tourists. Thus, airports’- and hotels’ operations are affected in a positive way. The latter sector is characterized with an active development of hotels in the country, with a special focus on international chains entering the Lithuanian hotel market. Such external factors, including the increasing overall growth of tourist flows, the expanding occupancy rate of rooms, as well as the entering of numerous international hotel chains in the market, are said to have a positive influence on Lithuanian hotel industry. Moreover, the integration of the Euro as from the 1st of January 2015 is expected to ease future international travel and business.

5.2. Hotel Market in Vilnius

As mentioned previously, the hotel industry in Lithuania is comparably new and therefore, not yet fully developed. This is particularly true in terms of foreign chains’ presence in the country, with the only exception of the capital Vilnius. The first international hotel chain entered the Lithuanian market in 1998 (Kučinskienė & Mačerinskienė, 2014). It was the Rezidor Groups owned Radisson Blu Royal Astorija hotel, which was included in the research for this thesis. Today, six hotels of this chain are already operating in some of the main destinations in Lithuania. It is important to mention that international hotel chains’ activities are important for every country (Cho, 2003; Pine, Zhang & Qi, 2000). As the hotel industry is relatively new in terms of foreign hotels operating in the market, the Lithuanian market is known as driven mainly by non-branded hotels. Non-branded hotels are defined as individual lodging, which is not a part of a chain covering several brands under their mother company’s name. However, an exclusion from this general trend is the market in Vilnius, where, in contrast to the country’s market as a whole, branded hotels are the main actors.
The empirical study included three international brands operating in Vilnius. All brands - Radisson Blu, Comfort and Holiday Inn, are a part of the respective international hotel chains - The Rezidor Group, The Nordic Choice and InterContinental Hotel Group. Being a part of an international hotel chain benefits all branding activities, as the examined brands are well differentiated and positioned in relation to all other brands operating within the mother company. Moreover, it facilitates the implementation and synchronization of internal processes and marketing related activities within the mother company.

Kotler and Keller (2006) recognize the significant importance of marketing within the hotel industry. Marketing activities are carried out with a focus on communicating the service, and unique value proposition, of each hotel. However, according to the empirical findings, being a part of an international brand portfolio has certain implications for the marketing of the examined hotels. For example, Holiday Inn Vilnius, as a part of the InterContinental Hotel Group, is closely dependent on its mother company. This results in the absence of a marketing department within the company. Instead, according to Sekmokienė (2015), all marketing decisions are made by the mother company. The two other hotels – Radisson Blu Royal Astorija and Comfort Hotel LT, are also monitored by their mother companies, but only in terms of several minor marketing related activities. Although being a part of the brand portfolios of the corresponding companies, the two hotels have established marketing teams, which are given considerable freedom in terms marketing initiatives (Bunkienė, 2015; Liandsbergaitė, 2015).

Despite the differences in the structures of the companies, the insights from the interviews with the three examined hotels pointed out to the different implications service marketing has for their marketing activities. The empirical findings indicated significant consistency between the academic literature on service branding, and the results gathered from the interviews. Thus, the authors of the thesis suggest that the insights on marketing, which were generated through the case studies, are applicable for all hotel actors in Vilnius. In terms of intangibility, the interviewees recognize the need of physical clues to guide the customers in their choice, and service experience. The three hotels rely on the logos of the chains, as well as the staff’s uniforms, and other tangible pointers of the brands (such as badges, and pins). According to Palmer (2011), physical clues can be used to diminish the high degree of uncertainty, which results from intangibility. Furthermore, inseparability presents another challenge for the examined hotels. As services are produced and consumed at the same time, every service encounter is considered to have a unique experience (Palmer, 2011). The empirical findings indicate that all hotels included in this thesis recognize the implications associated with this characteristic of services. Guaranteeing memorable quality of service is seen as a priority by all interviewees, especially by the representative of Radisson Blu Royal Astorija, as the hotel is branded as luxurious one, while providing superior value and quality to its guests. Finally, Palmer (2011) argues that services are a form of exchange between the company, and its customers. The information from the interviews with the three hotels indicates a consistency between the academic literature and the practical operations of companies. All interviewees agreed on the importance of delivering the brand promise to its guests, as well as the importance of maintaining a good relationships with new and regular customers. This has been especially emphasized by the representative of Holiday Inn Vilnius, as the hotel includes customers’ management in its marketing, and branding strategies.
5.3. Target Customers

All of the three hotels included in the study identify business travelers as their main target group. As it was explained before, business customers are those staying at hotels while traveling for work-related reasons (Ritchie, 2000). The findings from the interviews support the findings of Callan and Kyndt (2001), who claim that business travellers are the major clientele of multinational hotel chains. Moreover, travelers involved in the MICE industry constitute a significant part of the customers of upscale hotels, such as Holiday Inn and Comfort Hotels (Wang & Beise-Zee, 2013). The representatives of Radisson Blu Royal Astorija, Comfort Hotel LT, and Holiday Inn Vilnius use similar arguments to motivate the choice to target mainly business travelers. First of all, business clients in general are said to be the ones bringing the highest profit to the examined hotels. Foreign customers are more likely to give priority to familiar brands. Thus, in this case, international names have greater possibility to be chosen than the local Lithuanian hotels. According to the interviewees (Bunkienė, 2015; Liandsbergaitė, 2015; Sekmokienė, 2015), business clients are most likely to choose international hotel brands, as they associate the hotels’ names with certain quality, rooms’ arrangement, location and amenities.

Secondly, as the analysis of the secondary data indicated, the hotel market is characterized with changing inflow of tourists during different periods of the week, and year (Vallen & Vallen, 2013). Therefore, targeting business travelers allows companies to diminish the effect of seasonality on their business. As stated by Virgil and Popsa (2013) business clients are not only the most profitable group of hotels’ clientele, but also provide the hotel with autonomy against changes in the market, as guests travelling for work-related reasons are known as the ones travelling continuously throughout the year, regardless the season. Thus, choosing to target guests, who are visiting the capital for work-related purposes is recognized as beneficial in terms of profitability, and pragmatism by all interviewees.

The only issue resulting from business tourism is the lower demand during weekends. However, this trend is predicted to decrease during 2015, as more leisure travelers are expected to stay in Vilnius, and Lithuania in general, as well as more business guests are predicted to stay in the country for the weekends after work is completed. This prediction is based on the fact that Lithuania has been ranked as number three country to visit in the “Best in travel 2015” list made by Lonely Planet (2015).

5.4. Location

The theoretical framework included discussion about the importance of the location, where the hotel is situated and its significance for the hotel’s real estate (Vallen & Vallen, 2013). All three hotels included in the study emphasize the significance of the hotel’s location. The brands, which are examined, are targeting the same group of customers; however, all the hotels are located in very different parts of the city. Despite that, the representatives of each hotel were able to distinguish the advantages of the place their represented hotel is located.

Radisson Blu Royal Astorija Hotel’s representative Giedrė Liandsbergaitė (2015) mentions the main advantage of the hotel is that it is situated in the heart of Vilnius Old Town, with a close proximity to the business district. This, according to the interviewee, allows business travelers to combine work with leisure in the most convenient way (Liandsbergaitė, 2015). Comfort Hotel LT, on the other hand, is situated further
from the business district, but within 10-minute walking distance from the Old Town. The hotel is located close to the train station and the airport. This creates an advantage in terms of transport links (Bunkienė, 2015). Finally, the informant from Holiday Inn Vilnius Hotel claims that the hotel’s location is regarded as a competitive advantage by their targeted customers’ group. Being located in the business district, Holiday Inn Vilnius is the best choice for those business guests, who are traveling purely for work-related purposes (Sekmokienė, 2015).

5.4.1. Goal-Location Model

Based on the empirical findings, the authors of this thesis constructed the Goal-Location model. The model aims to ease business travelers, when deciding which of the three hotels, included in this study, should be chosen for their stay in Vilnius. The model includes two dimensions. The first one concerns the “goal” of travelling, which can either be entirely work-related, or work-related including leisure. The second dimension is “timing”, which considers an exact period of the week. The traveler can either stay in the city only for the workdays, or for both workdays and the weekend. By following the arrows, while considering both of the dimensions, the traveler is directed to one of the hotels. The figure presented below (see figure 5.1) illustrates the previously clarified explanations.

Figure 5.1. Goal-Location Model.

As mentioned previously, the results of the study provided the authors with the information that all of the three examined hotel chains, identified business travelers as their main target customers. Therefore, the first element of the figure is labeled “business travelers”. Furthermore, according to the interviewees, business travelers usually visit Vilnius either for clearly work-related purposes, or for work-related but with an intention to get involved in tourist leisure activities. This is why the figure includes the first dimensions, which identify the goal of travelling. The authors consider that travelers, who visit Vilnius for purely business reasons during the workdays, should stay at Holiday Inn Vilnius hotel, as it is situated in the most convenient location - the business district of the city. Travelers, coming to Vilnius for work-related reasons during the workdays but meanwhile, planning to do some sightseeing, should stay at the Radisson Blu Royal Astorija. The hotel is located in the Old Town of the capital. Therefore, the most tourists attracting destinations and monuments are situated near. Finally, travelers, who come to Vilnius for the entire week and want to combine both - work and vacation, should stay at Comfort Hotel LT. This, according to the authors, is the best choice, as usually travelers, who decide to stay for an extra time, have to
pay for their stay from their own pocket. Comfort Hotel LT offers the best value for money, as well as it allows customers to choose from the widest selection of tourist packages, allowing tourists to explore the country by taking part in fully planned tours. This is why Comfort Hotel LT is the smartest choice in this case.

5.5. Standardization and Customization

The information gathered from the interviews revealed that the three examined hotels are standardized in terms of structure, standards and quality control. All of the interviewees recognize that standardization in their hotels is used as means to reach the quality standards imposed by the mother companies, as well as a way to facilitate day-to-day activities. Moreover, standardization is recognized to be used as a tool for monitoring and exercising quality control by the mother companies. The representatives of the three examined hotels point out different benefits that each hotel is contributed by standardization. The representative of Radisson Blu Royal Astorija mentions that standardization is a way to ensure consistency of service (Liandsbergaitė, 2015). These findings correspond to the belief that multinational companies benefit from standardization, as the latter fulfills the need to unify the service performance. Sekmokienė (2015) recognizes that in Holiday Inn Vilnius the approach is used in order to meet customers’ expectations and thus, to retain royal customers. Holiday Inn Vilnius provides internal trainings to their staff as a way to ensure consistent service delivery. The findings of this thesis are consistent with the claims of Sandoff (2005), who states that in order to achieve high performance the company’s personnel should be thought to think and act in a similar manner. Furthermore, academic literature points out the importance of standardization in terms of diminishing variability in the service encounters, which is also recognized by the representative of Holiday Inn Vilnius (Sandoff, 2005). Finally, the interview with Comfort LT showed that standardization facilitates daily activities such as reservations and managing customer interactions. As Sandoff (2005) argues, a standardized approach brings self-confidence in employees in terms of work performance, as it provides guidelines for conducting and managing difficult encounters with customers.

The interviews with the chosen hotels also successfully acquired the information about whether the hotels are standardized, or customized in terms of their marketing- and branding activities. The gathered information showed that all hotels use a more local-based, customized approach for their marketing, compared to the structure of the hotels. However, the level of customization differs and is connected to the way the hotel chain is managed. The findings from Radisson Blu Royal Astorija showed that the hotel is dependent on broader marketing incentives, which are applied throughout the chain in the European, and Russian markets. However, the hotel takes Lithuanian national holidays and celebration into consideration (Liandsbergaitė, 2015). Holiday Inn Vilnius is the hotel, which follows the marketing activities, which correspond to the different programs, in which the hotel takes a part. However, the personnel in Vilnius are given the freedom to initiate different activities, as long as it contributes to the better performance of the hotel (Sekmokienė, 2015). The representative of Comfort LT reveals that although a Director of Marketing is responsible for globally implemented incentives, the marketing department of the hotel in Vilnius is completely customized (Bunkienė, 2015). The hotel’s marketing activities are unique in comparison to other hotels within the chain. The empirical findings of the thesis correspond to the view of academics that customization is a matter of choice for hotel operators (Wilson et al., 2012). Moreover, the findings indicate one other analogy with the aca-
ademic literature. This is that the examined hotels use customization as a way to adapt to the particularities of the Lithuanian market, for example, considering national holidays, and Lithuanian celebrations.

5.6. Identity Approach

5.6.1. Corporate Identity

As mentioned previously, corporate identity consists of two clusters representing different approaches to managing the identity. In terms of the first one – the visual identity, the companies, which are examined in this thesis, rely not only on their internationally recognized logos, but also on what stands behind these logos. For example, the Radisson Blu logo represents stylish hotels “in great locations with a passionate sense of heritage” (The Rezidor Hotel Group, 2014, p. 19). As found during the interviews, Radisson Blu Royal Astoria fulfills the vision, which is imposed by the chain.

The Holiday Inn brand, on the other hand, stands for warm and friendly hotels, which make everyone feel the joy of traveling (InterContinental Hotels Group PLC, 2014). According to Sekmokienė (2015), Holiday Inn Vilnius is being consistent with the corporate identity of the mother company as it is branded as “the friendliest hotel in the market”.

Finally, the Comfort Hotels brand stands for good hotels at good locations at a good price. Moreover, the hotel aims to provide relaxed and easy-going atmosphere for all of its guests by designing the servicescape in creative and interactive ways (Comfort Hotel by Nordic Choice, 2012). The interview with the representative of Comfort LT revealed that the hotel situated in Vilnius fully represents the brand by bringing all previously mentioned particularities of the Comfort brand to the Lithuanian market.

However, corporate identity is about synchronizing the visual identity with corporate behavior. It can be argued that all hotel chains, which are presented in this thesis, implement the main distinctive characteristics of the brands, to which they belong. Thus, the visual identity, namely the brand logo serves as a true differentiator between the competing hotels.

5.6.2. Organizational Identity

The empirical findings show that the three examined hotel chains have several similarities in terms of organizational structure. First of all, all of the interviewees identify the structure in terms of work processes, quality standards and day-to-day operations within each hotel are standardized. Secondly, all of the interviewees recognize the marketing initiatives of the hotels as customized to the Lithuanian market.

Furthermore, during the interviews, the representatives of Radisson Blu Royal Astoria and Comfort LT pointed out the importance the organizational culture has in the success of their companies. Liandsbergaitė (2015) recognizes that employees’ empowerment and motivation is the main reason why the hotel is so advanced and accomplished in its marketing department. Similarly, the interviewee from Comfort Hotel LT, Inga Bunkienė (2015) identifies the various trainings, and gathering of the personnel, which are organized by the company, as an important factor for maintaining high service performance. Finally, the three interviewees recognize the efforts of each hotel chain to incorporate the vision, which they would like to be associated with, both externally – to all stakeholders, and internally – to employees of all levels.
5.6.3. Image

The empirical finding revealed the brand images, with which the three hotels would like to be associated. As brand image is closely related to positioning, it is not surprising that three different brand images emerged from the interviews. As the only five-star hotel, which was examined, Radisson is oriented towards providing both excellent accommodation facilities and exceptional service. The hotel chain’s motto “Yes, I can!” points to the desire to satisfy every need of the customers. Similarly, Holiday Inn positions itself as the “friendliest” hotel in the market. The hotel also aims at providing service quality through well-trained personnel. Moreover, Holiday Inn’s brand image vision is about “being the first choice for business travelers”. The hotel is advanced in terms of full-service performance and also concentrates on satisfying the needs of its main target group, namely business travelers. Finally, Comfort positions itself as the hotel, which provides good accommodation at good location at good prices. Also the hotel aims to be recognized as one guaranteeing “best value for money”. The company wishes to occupy the positions of a hotel providing all necessary amenities to the customer and complimenting the hotel’s offerings with enthusiastic frontline staff. Comfort also wishes to be recognizes as providing space for creativity, and freedom to it guests.

5.6.4. The Corporate Brand Toolkit

The information gathered from the interviews permits the authors to analyze the branding efforts of the three international hotel chains with the help of the corporate brand toolkit. Briefly explained, the three strategic stars of the framework, namely the strategic vision, the organizational culture and the stakeholders’ image, should be aligned and should complement each other in order for a company to maintain strong brand identity. However, as this thesis focuses only on the companies’ perceptions about branding, the analysis of the empirical findings focuses on the first and second strategic stars and the gaps, which occur in relation to them.

As mentioned previously, the strategic vision is closely related to the corporate identity of each hotel, while the organizational culture overlaps with the organizational identity theme of the brand identity approach. The first gap, which is identified with the help of the corporate brand toolkit, is the one, which occurs between a company’s vision and its culture. Hatch and Schultz (2003) suggest that organization often fail to notice when the strategic visions, which are often stated in the statements of the companies, differ from the values, which are exercised at a given point by the employees. However, the empirical findings on the three hotels did not indicate any issues related to the vision-culture gap. On the contrary, each of the three hotels appeared to achieve a high level of consistency between the vision, which they want to communicate in- and outside the company and their organizational cultures. Radisson Blu Royal Astorija is branded as a luxurious hotel with excellence service quality. According to Landsbergaite (2015), this vision is reflected in the organizational culture of the company, which promotes quality of employees’ performance by empowering and motivating personnel to achieve the “Yes I can!” mindset. Holiday Inn Vilnius is branded as a friendly, customer-oriented hotel. This image is conveyed to employees through trainings and team-buildings. Sekmokiene (2015) states that Holiday Inn Vilnius’s staff constantly aims to establish personal relationship with each guest and in this way to become the friendliest hotel in Vilnius. When it comes to Comfort Hotel LT, the hotel brands itself as one providing good hotels at good locations at a good price. This is achieved by eliminating all services, which are not perceived as essential for the
agreeable stay of the guest. Moreover, the hotel’s vision also includes a creative and interactive environment, as the hotel is designed in a music theme and also has its rock radio. According to the representative of Comfort LT, the hotel’s organizational culture is consistent with the expressed image (Bunkienė, 2015).

Hatch and Shultz (2003) further claim that the vision-culture gap could result from the fact that the strategic vision of an organization is managed by its management team, while organizational culture is primary carried out and is dependent on the employees and their values and feeling about the company. The empirical findings of the research indicate that the representatives from the examined hotels, as being a part of the personnel, hold the same vision of what each respective hotel should represent as it is stated in the vision statements of the companies. Based on the theory of Hatch and Schultz that a brand is most likely to succeed, when it “directly connects strategic vision and organizational culture”, it can be argued that the three examined hotels operate and communicate successfully their brands (Hatch & Schultz, 2003, p. 1049).

The second gap, which might occur from evaluating brand identity using the corporate brand toolkit, is the image-culture gap. The latter discovers a brand image, which is not in line with the organization’s culture (Hatch & Schultz, 2001). Hatch and Schultz (2003) argue that the communicated image of a company should adequately reflect the organizational culture. If there exists a misalignment, a service different than what is expected and promised from an organization will be delivered to customers. Although this thesis lacks a customer perspective on the image of the examined hotels, the empirical findings point out to significant efforts from the three hotels’ perspective to communicate the same image to both stakeholders and employees. Hatch and Schultz (2003) suggest that alignment between the company’s image and its organizational culture brings greater awareness of the company’s values and also enhances positive reputation and attractiveness. Considering this thesis, this would further suggest that with the trainings and empowerment provided by the companies, the personnel of every hotel should be able to deliver the service associated with the hotel’s image to the guests. The authors recognize the companies’ efforts to prevent any eventual misalignment between the brand image and the organizational culture, as Hatch and Shultz (2003) recognize that organizations’ miscommunication of vision and image is the main culprit for the image-culture gap.

5.7. Overview of Examined Hotels’ Brand Identity and Structure

Based on the analysis of the empirical findings, the authors constructed a table, which presents the brands’ and hotels’ brand identities, as well as the examined hotels’ structure and marketing activities in terms of standardization and customization (see table 5.1.). The table shows if, and to what extent the brand identity of the examined hotels corresponds to the identity of the chains they are part of. Moreover, the table can be used to compare the hotels in terms of marketing activities and structure.
Table 5.1. Overview of Examined Hotel's Brand Identity and Structure

<table>
<thead>
<tr>
<th>Hotel chain’s vision on brand identity</th>
<th>Radisson Blu</th>
<th>Holiday Inn</th>
<th>Comfort Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Stylish hotels in great locations with passionate sense of heritage”</td>
<td>“Warm and friendly hotels, which make everyone feel the joy of traveling”</td>
<td>“Good hotels at good locations at good price”</td>
</tr>
<tr>
<td>Hotel’s in Vilnius vision on brand identity</td>
<td>“Superior value and quality”</td>
<td>“The friendliest hotel in the market”</td>
<td>“Encouraging guests’ creativity, and freedom, while providing everything necessary”</td>
</tr>
<tr>
<td>Structure of the hotel in Vilnius</td>
<td>Standardized</td>
<td>Standardized</td>
<td>Standardized</td>
</tr>
<tr>
<td>Marketing activities of the hotel in Vilnius</td>
<td>Partly-customized: part of a 3-way marketing system</td>
<td>Partly-customized: open to employees’ incentives</td>
<td>Customized</td>
</tr>
</tbody>
</table>

Based on the information in the table, the authors next present an overview of each of the hotels, which were used as case companies in this thesis.

5.7.1. Radisson Blu Royal Astoria

Radisson Blu hotels emphasize on the style of their hotels, while combining their locations with the cultural heritage of the country, where they are situated. Being a part of the Radisson Blu family, Radisson Blu Astoria fulfills the vision, established by the chain. At the same time, the hotel in Vilnius strives towards incorporating its own vision of providing superior value and quality to its customers. The hotel is standardized in terms of structure, but takes use of certain customized marketing incentives in order to correspond and consequently adapt better to the local market.

5.7.2. Holiday Inn Vilnius

Holiday Inn hotels are positioned as warm and friendly, predisposing guests to feel the joy of traveling. The vision of Holiday Inn Vilnius completely concurs with the one of the chain. The hotel in Vilnius relies on a combination of standardized structure, daily operations and well-trained employees to deliver the promise of being the friendliest hotel in the market. Considering the marketing activities, Holiday Inn Vilnius is partly customized, with autonomy of personnel to undertake incentives.

5.7.3 Comfort Hotel LT

Comfort hotels stand for a good price, good locations and good quality. Comfort LT brings this vision to the Vilnius market, while further developing a vision, which positions the hotel as the one offering its guests comfortable, and interactive environment, created by enthusiastic and helpful personnel. In order to achieve this vision, the hotel
in Vilnius has a standardized structure, but a customized marketing department, in order to react to the needs of the local market.
6. Conclusion

In this section the authors will discuss how the purpose of the study was fulfilled as well as the final remarks summarizing the key findings of the research will be presented. Moreover, general discussion about the outcomes of the study is included, followed by limitation, implication and recommendations for possible future research.

In this thesis, the authors aimed at expanding the knowledge of how international hotel chains operate at the Lithuanian market by placing the main focus on the hotels’ branding strategies. Moreover, the authors wanted to investigate how companies use their brand identity to position themselves on the market. In order to fulfill the purpose of the thesis, three research questions were defined with an intention to guide the research process. The methodology used to accomplish the purpose was interviews with the case companies. The three selected hotel operators - Radisson Blu, Comfort Hotels and Holiday Inn, - all belong to multinational chains. These brands were selected for the research as they are the biggest international companies forming the Vilnius hotel market. The empirical findings included information from the interviews as well as secondary data about the examined hotel chains alongside with the Lithuanian hospitality and hotel industry.

The present thesis contributed to the academic field with an expansion of the theoretical knowledge about the hotel industry in Lithuania. As stated in the problem statement, the hotel industry is a relatively new and developing field for the country, and therefore, only limited information about it is available. However, the thesis managed to result in several key findings. First of all, the authors successfully identified business travelers as the main target group for the international hotel operators in Vilnius. Secondly, aspects of standardization and customization were examined and subsequently indicated that the international hotel chains in Lithuania are standardized in terms of structure and operation. However, the marketing and branding activities of the hotels were recognized as being customized to the local market. Moreover, the thesis focused on the extent to which international hotel chains rely on the brand image imposed by the hotel chain and the mother company. The findings indicated that some hotels completely incorporate the brand identity of the chain, while others just partly include the chain’s brand identity by using it as a base to build their own brand identity, which matches the expectation of the particular hotels in Vilnius. Finally, it was discovered that all the hotels are involved in some kind of brand identity related strategies in order to occupy a specific place in customers’ minds, and therefore, brand identity is used as a means for a better market positioning.

Additionally, this thesis contributes with a model and a table related to the key findings of the research. First of all, The goal-location model, which is designed to facilitate the process of choosing the best alternative of accommodation in Vilnius by business travelers. The model consists of two dimensions – goal and timing, and according to the reader’s preferences, points to one of the three examined hotels as the most suitable choice for a place to stay in the Lithuanian capital. The table - Overview of examined hotel’s brand identity and structure, presents the findings on standardization, customization and brand identity of the three hotels. The table facilitates the reader in relating the brand identity of the examined hotels in comparison to the brand identity of the hotel’s chain. Moreover, the table presents the structure of the hotels in terms of standardization and customization.
6.1. Limitations

The authors of the thesis recognize that there exist several important limitations of the paper. First of all, the international hotel operators, used as case companies, are all located in the capital of Lithuania – Vilnius. This has left an unexamined perspective on how branding and marketing activities are carried out in a broader scope, considering local hotel chains operating on the market, as well as other international companies within the country, which have not been included in the study. This restriction of the study resulted mainly from the restricted timeframe of the research. Time aspect was considered as a limitation, as a longer research period would have given the possibility to conduct more interviews, which could have provided the research with a wider range of empirical findings.

Furthermore, certain limitations occurred because of the choice of method. This study used a qualitative approach, and therefore, excluded quantitative forms of research. Although it was identified as a better way to collect the needed information, the authors recognize that quantitative research would have also benefited the study. In terms of methodology for data collection, the choice of interviews via Skype and e-mails, especially the latter one, also resulted in some limitations. Communication through emails restricted the ability of the respondents to provide in-depth answers to the interview questions.

6.2. Implications

This thesis expands the theoretical discussion on the Lithuanian hotels industry, with a main focus on branding and marketing activities of the three examined international hotel chains. Academically, this study develops/provides unique empirical insights into the field of hospitality, more precisely, the branch related to hotels. Future academic research may include the findings accomplished by this study in their examinations connected to the Lithuanian hotel industry.

In addition to filling a research gap in the academic field, the study contributes with practical implications for hotel managers in terms of brand strategies, and other branding-related activities. Also, the thesis provides applicable insights, while seeking to evaluate hotels’ performance in comparison to other actors competing in the market. Moreover, the research is beneficial for hotel chains, operating in countries with relatively new, and evolving hospitality industries, which are similar to the Lithuanian market. Thus, the findings of this study can be used to exemplify how multinational hotel companies achieve success in terms of performance, and positioning in developing countries.

6.3. Further Research

The findings of the thesis succeeded in adding information about and proving insights into the Lithuanian hotel industry. However, as the industry is a relatively new and unexplored field compared to other sectors of the Lithuanian economy, the authors recognize the space and need for further research on the related topic. Moreover, the hotel industry in Lithuania is constantly changing and growing, as new international hotel chains are constantly entering the market. Therefore, the competition among the actors on the market will continue to rise, especially in terms of the international hotel operators who target the same group of customers – business travelers. Based on that, it is implied that marketing and branding decisions will become more important for
the successful positioning, and consequently, the performance of the companies. This presents multiple opportunities for scholars to further gather knowledge on the matter, as well as to test and develop theories related to marketing and branding strategies.

Furthermore, this research was fully focused on three international hotel chains in Vilnius, which leaves space for further research on local hotels and other multinational hotel chains within the country. This should be done in order to gain a broader understanding of the Lithuanian hotel industry. Moreover, the study was constructed to provide insights into what extent the international hotels’ operations are standardized or customized. However, some future research might concentrate more precisely on what local factors of the Lithuanian market are taken into consideration by hotels, when deciding whether to develop standardized, or customized strategies.

Finally, this thesis provides insights into the Lithuanian hotel industry from the perspective of the hotel operators. The authors recognize the need of further research, which would combine both customers’ and companies’ perspectives on marketing and branding within the market.
References


Appendices

Appendix 1 Interview guide company Radisson Blu

1. Introduce yourself.
2. What position do you have within the company?
3. What are your responsibilities?
4. For how long have you had this position?
5. How long have you been working with the company?
6. Who is your superior? Who assigns your tasks?
7. Present Radisson in your own words (from Lithuanian perspective).
8. What does the name Blu represent?
9. Do all of the Radisson hotels function the same way (in relation to structure, bureaucracy and standards)?
10. Are you able to disclose any more details about the quality control and on how they exercise it?
11. How does the marketing department of the Radisson function? Is it centralized, or do there exist marketing teams for every region (e.g. Europe, the Middle East, Africa)?
12. How is it for other Radisson Blu hotels?
13. How come hotel in Vilnius is so advanced, compared with other Radisson hotels, which are geographically close?
14. Can you explain more, how marketing activities contribute to hotel’s performance (i.e. profitability, satisfaction of guests)?
15. Radisson strategy includes four dimensions (Develop Talent, Delight Guests, Drive the business, Deliver results). How does focusing on those help developing, strengthening and positioning the brand?
16. Can you distinguish any other dimensions that Radisson is implementing?
17. Could you elaborate on the “Yes, I can” strategy?
18. Can you say that “Yes, I can” is the brand image that the hotel wants to be recognized with?
19. Can you elaborate on what is the “100% Guest Satisfaction Guarantee” strategy?”
20. What is the main customer segments distinguished as Radisson Blu clientele?
21. Do you consider branding as a tool to gain customer loyalty?
22. What efforts do you put in order to maintain loyal customers? How important are these loyal customers for the business?
23. How is the present situation regarding competition? Who is Radisson’s biggest competitor?
24. What is different about Radisson compared to competitors? What would you consider your biggest competitive advantages?
25. What is the difference of the marketing of the Radisson brands in terms of the marketing mix (product, placement, price, promotion)?
26. Would you say that Radisson in general is a brand that is more big cities oriented? Do they also target resorts (summer resorts, winter resorts)?
27. Which cultural factor do you take in consideration when you are differentiating yourself from other Radisson hotels? (i.e. food – specific for Lithuania)
28. In your opinion, what differentiates hotels in America, Asia, and Europe the most?
29. Do you think there are certain drawbacks that result from the fact, the hotel in Vilnius being not localized?
30. Is there anything that you consider challenging when implementing the “orders” that you get from your managers? (i.e. are you advised to do things that you do not like?)

**Appendix 2 Translated English version of the Interview guide company Comfort Hotels (originally sent in Lithuanian)**

1. Introduce yourself.
2. What position do you have within the company?
3. What are your responsibilities?
4. For how long have you had this position?
5. How long have you been working with the company?
6. Who is your superior? Who assigns your tasks?
7. Present Comfort in your own words from both Lithuanian and world perspective.
8. What does the name Comfort represents?
9. Do all of the Comfort hotels function the same way (in relation to structure, bureaucracy and standards → the way the daily routines are carried out)?
10. Is Comfort standardized? For instance, if the person working in Comfort Hotel in Lithuania could easily work in another country without any problems (ignore the fact of language barrier)?
11. If you are able to disclose, could you please tell more about the quality control. How is it exercised?
12. How does the marketing department of the Comfort functions? Is it centralized, or do there exist marketing teams for every country (e.g. Lithuania, Norway, Sweden, etc.)?
13. Are the marketing decisions for all brands within Nordic Choice Hotels are taken by the same marketing team, or are there different individuals responsible for the different brands?
14. How are the marketing activities synchronized in Scandinavia and the Baltic countries?
15. Does Comfort strategy include any kind of dimensions, which help to develop, strengthen and position the brand?
16. What is the brand image you would like your customer to associate you with?
17. What is the main customer segments distinguished as Comfort LT clientele?
18. Do you consider branding as a tool to gain customer loyalty?
19. What efforts do you put in order to maintain loyal customers? How important are these loyal customers for the business?
20. How is the present situation regarding competition? Who is Comfort LT biggest competitor?
21. What is different about Comfort LT compared to competitors? What would you consider your biggest competitive advantages?
22. Does Comfort have any strategies, which could be considered as the key differentiators for spirit of service? If yes, could you please tell more about them? Does these strategies are used by all Nordic Choice Hotels brands?
23. The official Comfort LT hotel distinguishes “10 good reasons to stay”. Is it the strategy applicable to all Comfort hotels, or just marketing decision made by Lithuanian marketing team?
24. How are the destinations, where Comfort hotels are located, chosen?
25. What are advantages and disadvantages of the location of Comfort LT?
26. Which cultural aspects does the company take into consideration when developing hotels in different destinations? You are welcome to exemplify your answer with the Comfort hotel in Vilnius.
27. How does Comfort find the balance between the local and Norwegian culture?
28. Do you consider Comfort as more globalized or localized? What benefits and drawbacks result from it?

Appendix 3 Translated English version of the Interview guide company Holiday Inn (originally sent in Lithuanian)

1. Introduce yourself.
2. What position do you have within the company?
3. What are your responsibilities?
4. For how long have you had this position?
5. How long have you been working with the company?
6. Who is your superior? Who assigns your tasks?
7. Present Holiday Inn in your own words from both Lithuanian and world perspective.
8. What does the name Holiday Inn represents?
9. Do all of the Holiday Inn function the same way (in relation to structure, bureaucracy and standards the way the daily routines are carried out)?
10. Is Holiday Inn standardized? For instance, if the person working in Holiday Inn in Lithuania could easily work in another country without any problems (ignore the fact of language barrier)?
11. If you are able to disclose, could you please tell more about the quality control. How is it exercised?
12. How does the marketing department of the Holiday Inn functions? Is it centralized, or do there exist marketing teams for every country (e.g. America, Europé, Middle East, etc.)?
13. Are the marketing decisions for all brands within InterContinental Hotels Group are taken by the same marketing team, or are there different individuals responsible for the different brands?
14. How are the marketing activities around the world?
15. Does Holiday Inn strategy include any kind of dimensions, which help to develop, strengthen and position the brand?
16. What is the brand image you would like your customer to associate you with?
17. What is the main customer segments distinguished as Holiday Inn Vilnius clientele?
18. Do you consider branding as a tool to gain customer loyalty?
19. What efforts do you put in order to maintain loyal customers? How important are these loyal customers for the business?
20. How is the present situation regarding competition? Who is Holiday Inn Vilnius biggest competitor?
21. What is different about Holiday Inn Vilnius compared to competitors?
22. What would you consider your biggest competitive advantages?
23. Does Holiday Inn have any strategies, which could be considered as the key differentiators for spirit of service? If yes, could you please tell more about
them? Does these strategies are used by all InterContinental Hotels Group, or Holiday Inn only?
24. Could you tell more about Green Engage program?
25. What, in your opinion, is the main reason(s) for customers to choose Holiday Inn?
26. Do you consider Holiday Inn as more globalized or localized? What benefits and drawbacks result from it?

**Appendix 4 Translated English version of the Follow-up Interview guide company Holiday Inn (originally sent in Lithuanian)**

1. What are the IHG standards?
2. In what way does the structure between Holiday Inn hotels differs?
3. Are the trainings provided to everyone working within the company, or just the ones occupying higher positions?
4. How often the secret inspections are made?
5. Does Holiday Inn have any kind of connections with the other hotels in other regions (in terms of marketing department)?
6. Could you please explain more about Interface (Merlin)?
7. How do you measure that Holiday Inn Vilnius is the "friendliest" hotel in the market?
8. How does the point of view to the customer differs if compared to competitors?
9. Could you exemplify previously identifies statement – “thinking out of the box”?