

TEACHING CASE STUDY

BUILDING THE CORPORATE IDENTITY – THE CASE OF ANNIKS HOTEL

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Abstract

This case describes the problem of building a strong corporate identity in the Anniks hotel following the change of the general manager. After a short theoretical background about the construct of corporate identity, the hotel is presented in its distinctive characteristics and type of guests. The results of the interviews with the team manager are presented, as well as an analysis of the actual, desired and ideal corporate identity in order to foster creativity, encourage critical thinking and identify the elements of a new corporate identity.

Keywords corporate identity, corporate marketing, marketing in hospitality, strategic management

INTRODUCTION

It was already April in Opatija when Luka Popov, the new general manager of the Anniks hotel, concluded the regular meeting of the management team in order to discuss new hotel strategy 2023. When he became the general manager, he knew that it would be a challenge. His predecessors, Andrija Frlić, who had successfully run this hotel for the past 15 years, would not bother with these new arising problems, nor with the requests of the board of directors. On the other side, he perceived that the changes initiated by the hotel owners expected from him new perspectives and solutions for the development and growth of the Anniks hotel with an innovative approach.

There are many challenges for the new Strategy 2023, first Anniks hotel need a new corporate identity. Second, how Anniks hotel will improve hotel reputation including value propositions for different stakeholders.

1. CORPORATE IDENTITY

The corporate identity is a multidimensional, holistic concept from the corporate marketing field that encompasses various aspects of an organization. These include corporate strategy, management philosophy, corporate culture, behavior, structure, communication, and design, under the influence of the industrial identity. Differentiation from the competition results from their interaction (Melewar, 2003; Melawar and Karaosmanoglu, 2006).

Corporate identity management provides a link between corporate identity and corporate strategy. It aims to establish a favorable reputation in the eyes of the organization's stakeholders, which will translate into the willingness of stakeholders to buy, work or invest in the organization's product or service (Van Riel and Balmer, 1997; Čuić

Tanković, 2015). Corporate identity management influences stakeholders and encourages positive behavior towards society (Simões, 2016), while the corporate identity can facilitate and enable strategic change, innovation, and learning (He and Balmer, 2013).

The main competitive advantages of a robust corporate identity are building trust and support among different stakeholders and gaining an edge in the business environment, including:

- attracting and hiring highly respectable managers,
- awareness of stakeholders of the organization's business capacity, its advantages, its management, competitors, and the differentiation of products and services with a different reflection of its identity,
- consumer awareness of product quality, which will support brands and the organization, building loyalty,
- the possibility of corporate identity in creating a strong corporate brand that brings stakeholder commitment,
- understanding the organizational identity from the viewpoint of the financial community will further attract investors and facilitate the path to the new capital.

From the aspect of employees (Bravo, Matute, and Pina, 2015), the corporate identity can act as a central motivating force, so that a clearer understanding of the purpose, direction, and specificity of the organization will be presented. In that way, the staff work with pride and support the management. It can also offer employees' more natural adaptation to the existing culture with higher sensitivity and faster integration into a new corporate culture. Also, the employees' perception of corporate identity is crucial for interpreting the desired organizational image.

2. THE ANNIKS HOTEL

The Anniks hotel is located on the Istrian part of the Adriatic coast overlooking the sea, well-connected with the main roads and the international airport. The climate is Mediterranean and mild, and the tourist destination where the hotel is located is rich with tradition and historical and cultural attractions.

The Hotel is categorized with four stars and has 373 rooms. It has two restaurants, three bars, two pools (one inside the hotel and one outside it), one big conference or wedding room accommodating 500 people, three small conference rooms, and a wellness floor with sauna, massage, and a gym. It was declared one of the top ten companies in Croatia in the field of accommodation and food preparation and serving in 2014 (Mirošević, 2015).

Since 2014, Anniks has been part of a large international hotel group and has been completely renovated and adapted so it is now open during the whole year. However, it suffers from seasonal trends where the majority of guests come from May till September (see Table 1).

Table 1. Anniks hotel room occupancy for 2019

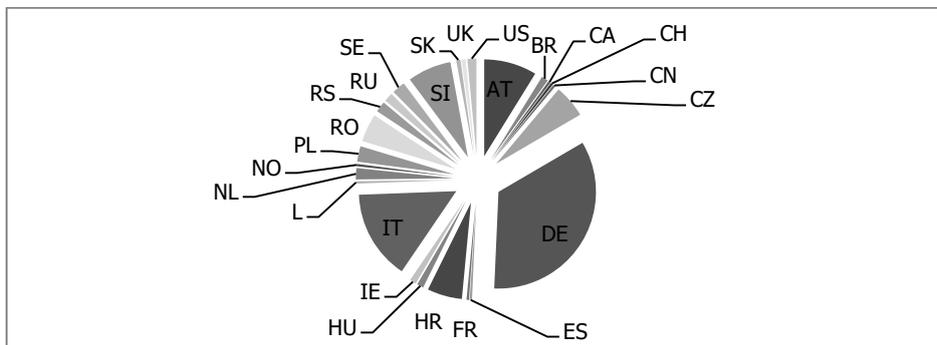
| Month | Number of rooms occupied | Number of rooms available | Room occupancy by month (percent) |
|-----------|--------------------------|---------------------------|-----------------------------------|
| January | 231 | 373 | 62 |
| February | 42 | 373 | 11 |
| March | 99 | 373 | 27 |
| April | 143 | 373 | 38 |
| May | 283 | 373 | 76 |
| June | 368 | 373 | 99 |
| July | 373 | 373 | 100 |
| August | 373 | 373 | 100 |
| September | 332 | 373 | 89 |
| October | 209 | 373 | 56 |
| November | 100 | 373 | 26 |
| December | 200 | 373 | 54 |

Source: Hotel management

There are two types of guests: those who arrive in the high season, from May to late September/early October, mostly one or two weeks, characterized as "holiday guests," interested in relaxing, sun, sea, nature, and enjoyment. The second period and group of guests are those who arrive the winter months, mostly "business guests" staying in Anniks for 3 to 5 days due to congress or business tourism, but also for the wellness program.

The guests from the Anniks hotel come mostly from Europe (96.6%), while 0.4% from China, 1.5% from Russia, 0.4% from Canada and 1.1% from Brazil. Chart 1 shows the most frequent guests come from Germany (34.3%) and Italy (15%). Less than 10% are from Austria (8.8%), Slovenia (7.3%), and the Czech Republic (5.8%). Less than 5% are guests from the following countries: Romania (4.7%), Poland (2.6%), Sweden (2.2%), the Netherlands (1.9%), Serbia (1.8%), and Hungary and Ireland (1.1%). The same percentage of 0.7% are guests from the United Kingdom and Slovakia, in the same ratio (0.4%) are present from Switzerland, Estonia, France, Lithuania, and Norway. The domestic guests arriving from Croatia are 5.8%.

Graph 1: Country of origin of the Anniks hotel guests



Source: Hotel Management

The age distribution demonstrates that the majority of guests are from 51 to 60 years, mostly married couples without kids, with the monthly net income level higher than 1,500 EUR. The majority of them (82%) are staying at the hotel for the first time.

Anniks has maintained a level of independence in developing its service and in the concept of building the guest experience, regardless of being part of the hotel chain. In recent years they have focused on the animation program and creative workshops, as well as wellness services. Two years ago, they started with three new wellness programs that offer complete relaxation for their guests during their stay at the hotel. On the other hand, all hotel guests can experience various sports activities, workshops, quizzes, movies, and more, valuing the tourist destination. Sports activities include cycling tours and excursions on foot, boat, and kayak. The workshops elaborate on the history of the tourist destination, making typical Istrian products and souvenirs, preparing and cooking some of the local dishes, tasting, and experiencing local and Mediterranean food.

But, the Anniks Hotel is facing challenges, beginning to slip. The owners and the entire management team were worried that hotel rooms' occupancy rates have decreased in the past three years. Sales are down 6 percent, which did not resonate well especially due to the impossibility of further raising the price of services without the intervention in the corporate identity. The hotel did not produce the revenue that it had in previous years, even if it was profitable.

3. CORPORATE IDENTITY AS A TEAM EFFORT

Luka Popov knew that the previous manager, Andrija Frlić, was making all the important decisions without much input from other managers or even the board of directors. While this approach had been successful in the past, Popov decided to assemble the management team for a whole-day team building and off-site planning session. Also, he decided to implement a more systematic approach to the corporate identity planning procedure, with a clear vision of the new corporate identity for the Anniks Hotel.

To achieve that and before the final results that he wanted to develop, extensive interviews with each manager were conducted. They also discussed all together after the individual interviews, and the managers were feeling excellent about it. This was the first time that many of them had ever been involved in such an activity, and they were enjoying it. The opportunity to talk about the future of the Hotel and how their contributions could positively impact corporate identity creation filled them with pride and loyalty.

4. INTERVIEWS WITH THE MANAGEMENT TEAM

The interviews of Anniks Hotel's managers show that all of them noticed a high degree of value and quality of service provided. Also, they are all willing to get as close as possible to their guests. They want to evoke a feeling of welcome in their guests and arouse the effect of surprise. The way to do this is to realize their competencies so that

the organization reaches a key determinant, quality, which is at the very top of the goals of their efforts.

In perceiving the elements of corporate identity, employees are guided by the mission and vision of the organization, which is "*Inspire guests through an individual approach and passion.*" Hence, all their actions are in line with the mission.

The management team considers that the hotel has a good reputation. The core values that create the framework of their business are trust, teamwork, care, enthusiasm, and connection. In this way, they want to form an open working atmosphere, honest relationships, and loyalty between all levels of management.

The employees agree that all sectors are significant in building a corporate identity. It is everyone's responsibility to make the hotel develop according to its core values. The employees are also motivated to work on their evolution and growth, cultivating their focus and extreme kindness towards the guest and their loyalty to the organization.

The managers acknowledge that employees in the Guest Relations and Entertainment sector have a great responsibility to create corporate identity and transmit it to the customers because they are in contact with every guest. Their work is characterized by an individual approach, prompt reaction and proactive problem solving, information, and suggestions about all kinds of problems and adaptability to guests' requirements. They must have pronounced originality and innovation characteristics, but especially cordiality and gentle approach to guests and thus actively participate in building what the organization is and how it differs from the competition.

The managers suggest the creation of a new role and employment. This employee will be an Inspirer: his/her mission will be to inspire guests, but also the employees themselves, remind them of goals and mission, remain in line with the created corporate identity. Also, to be available to guests for all their suggestions and criticism and refer them to superiors in charge.

These interviews have emerged that the level of communication within the employees is not enough. The expected business and operational results, as well as daily commitments, are communicated daily through individual meetings. Such communication is especially frequent at the level of middle management, but not for the bottom management. Weekly meetings, on the other hand, gather more responsible employees who pass on values, goals, tasks, and monthly business planning and trends. However, the employee connectivity in building a corporate identity needs to be encouraged with different team buildings that take place before and after the high season. The managers identify that not all employees are aware of those characteristics and the primary determinant of the corporate identity so they cannot transfer them to the other employees and the guests. Therefore, corporate identity values need to be communicated to internal stakeholders in a written way, received by each employee at least once a month. Informal socializing and informal communication across departments will contribute to the vital function of empathizing with corporate identity within the organization.

The management team has recognized that the employees' satisfaction and loyalty are not investigated enough: they are suggesting controlling the factors of each employee job satisfaction working atmosphere and communication, as well as their commitment to the hotel's corporate values. In addition to this, the management team has underlined the importance of an annual individual interview with superiors and direct subordinates for each employee, to check the right way of transmitting and educating the employees about the corporate identity.

5. EVALUATION OF THE CORPORATE IDENTITY

Popov saw that this kind of employee involvement had opened a door for some very positive first steps in creating a corporate identity. He hoped to develop a corporate identity during the planning meeting. Still, the members of this management team felt it would be better to complete an assessment of the hotel's current, desired and ideal corporate identity before developing a final corporate identity. They also felt that the corporate identity of the Anniks hotel has to be aligned with the corporate strategy defined by the board of directors, not from the managers. In the end, Popov agreed with them, and they developed an analysis adapted from the Balmer ACID test (Balmer and Soenen, 1999) which assesses the degree of shift between different types of identities, exploring issues related to different definitions of corporate identity: Actual, Desired and Ideal corporate identity (Table 2).

Table 2: Characteristics of the actual, desired and ideal corporate identity for Anniks hotel

| | Actual corporate identity | Desired corporate identity | Ideal corporate identity |
|------------------------------------|---|---|--|
| Management values | Productivity, efficiency, open communication, honesty, loyalty, quality, results, professionalism | Intensive communication, quality growth, proactivity, control, employee education, passion | Equality, emphasized team spirit, informal communication at all levels of management, inspirer, internal marketing |
| Organizational performances | Productivity, striving for quality | Emphasis on the guest with efficient action, monthly team building | Individual guest monitoring |
| Employee behaviour | Kindness, teamwork, tidiness, appearance, high competencies, information, trust, professionalism | Ability to fulfil all the wishes of guests (limitation in the number of employees and resources), connectivity at the organizational level, discipline, loyalty | Individual adaptability to the guest, system of monitoring the attachment of guests to employees |

| | Actual corporate identity | Desired corporate identity | Ideal corporate identity |
|---------------------------|---|---|--|
| Type of service | Building experience, surprise effect, expansion of the service out of season through congress tourism, differentiated service | Constant innovation, compassion and understanding of the needs of each guest, expanding the offer to new services | Delight, creating an experience through the design of festivals and concerts, novelty in the approach and the experience |
| Quality of service | Quality, but also the importance of the staff, meeting the needs of guests, attention to detail | Functionality, emphasis on entertainment and animation, tracking and control of results | The complete experience of the location and the hotel, computerization, monitoring the preferences of guests |

Source: Hotel Management Interview Results

CONCLUSION

Luka Popov was happy with the achieved results of this planning session with the management team. However, he has aware that there is more work to reinvent and build a strong corporate identity of the Anniks hotel, but now he has the information where and how to start. And more important, he has now the commitment and the support of his team.

At the first meeting, when he exposed to them the need to reinvent a new corporate identity, he encountered resistance and negativity towards the proposal. But when they delved into the analysis of the elements of corporate identity, they realized that there was a lot of room for improvement. This also encouraged them to see the problem with new eyes and prepare them to initiate positive changes in the hotel. In this situation, which strategy you will use to convert actual to desired corporate identity of the Anniks hotel?

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TEACHING NOTES FOR EDUCATORS/TRAINERS

- Course name: Marketing in Hospitality, Strategic Marketing, Corporate Marketing, Strategic Management in Tourism
- Target group: graduate or postgraduate students
- Learning objectives and outcomes:
 - Understanding and implementing elements of corporate marketing
 - Analyzing and interpreting qualitative results from interviews
 - Creating and formulating new suggestions for the corporate identity
 - Reassessing the positive and negative aspects of the actual corporate identity
 - Developing critical thinking and recommending potential new characteristics of the improvement of corporate identity and reputation
- Questions for discussion:
 1. What are the differences between corporate identity and corporate image considering internal and external perspective for hotel?
 2. Which elements have emerged as problematic in the actual corporate identity of the Anniks hotel?
 3. Identify and suggest a new type of guests who will be willing to visit the Anniks hotel during the winter season and expand the service offering.
 4. Analyse and comment on the qualitative results from interviews: which are the next moves that Luka Popov need to make?
 5. Propose and develop new suggestions for the reinforcement of corporate identity.
 6. Considering the differences between the actual and ideal corporate identity, which changes can be made in a short period (one year)? Which improvements can be achieved in the mid-term period (five years)?

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