

Jasper Hotel

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The YWCA is known throughout the world as a provider of community services, including low cost, basic accommodation. Melbourne's well known YWCA Family Motel at the top end of Elizabeth Street was re-branded as the 'Hotel Y' in 1995 in an effort to begin moving it away from the consumer perception as a budget accommodation venue. During 2003, the 65 room hotel underwent further brand 'tweaking' to make it more modern and interesting. The hotel consolidated its reputation as a well respected and popular 3 star accommodation facility, including winning several Victorian tourism awards.

In October 2005 the Hotel's directors began a \$4.5 million refurbishment of the building to raise it to AAA 4 star status, in order to reposition it as a higher quality facility and to enhance its conference reputation. While the hotel was already profitable and had a loyal following, it was felt that an upgrade was needed to generate higher and more sustainable yield for the YWCA.

The design-driven upgrade saw an average price rise across the board of \$17 per room, although for the casual guest it translated into a \$60 price rise over what they had previously paid. As expected, the re-positioning lost the hotel almost all of its previous clientele, but this has been compensated through its new appeal as a boutique but still good value accommodation experience. There was an immediate response from the conference market and it attracted major interest from the travel industry. The nine conference rooms are already enjoying significantly higher use.

Part way through the refurbishment process, the hotel's management decided to totally re-brand the product. Research and gut feel told them that the hotel could not re-emerge into the market without a substantial image makeover, as there would be a mismatch between the previous name and the stylish new facility. It was also driven by a feeling that the previous name could not support a major sales drive into the corporate market.

For a relatively modest outlay, the hotel's creative and PR consultants provided a new marketing look and feel to match the stylish new appearance of the interiors.

In fact, previous clients could pass the hotel's main entrance and not realise that it is the same venue. General Manager Jacquie Prentice says that it was 'shoe leather' rather than glossy adverts that enabled them to bury the past so quickly and to communicate the birth of the new product to the public.

"We are amazed at how well everyone has reacted to the re-positioning and re-branding of the hotel. It has not only drawn a whole new clientele, but has attracted the attention of the travel trade, the tourism industry, media and even architects".

Key Lessons

- When a product cannot fulfil the consumer expectations created through marketing, its reputation will suffer, poor word of mouth will result, repeat business will often disappear and sales will inevitably fall.
- When significantly re-engineering your product offering to attract new markets and/or to increase yield, new branding should be considered.
- In many tourism businesses, communication of a new brand to the travel industry often requires personal time and effort rather than a large advertising budget

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