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'Strong brands travel well'

Banyan
Tree boss:
Competing
on price
alone is
futile



'Strong brands travel well'

By Choong Choon Yee

THE power of a strong brand name is in its ability to travel overseas and maintain a longer-term competitive edge.

This is even more important than low pricing because it is inevitable that the day will come when someone else can offer the same product cheaper.

This is the view of Mr Ho Kwon Ping, chairman of the Banyan Tree Group, a spa and resort operator, who spoke on the second day of the Global Brand Forum Singapore 2003.

The two-day forum, held at Shangri-La Hotel, was attended by about 700 delegates, mostly top company executives from South-east Asia.

Mr Ho said that going right back to its first Banyan Tree resort, the company wanted to create a brand name to distinguish itself from competitors who could just copy its concept.

Without formal business training or the help of a marketing consultant, he said that he knew when he started Banyan Tree about eight years ago that "branding is a strategic imperative rather than an expensive luxury".

He listed four "key imperatives" for branding.

A product should be a "must-have" rather than a "nice-to-have".

Second, a good brand name must elicit a strong emotional response and not just sell "nifty product features".

Third, slick advertisements and a snazzy logo do not constitute branding,

and there needs to be an innovative product which is delivered with consistency and then married to a sound marketing strategy.

Lastly, a company's employees must share the core values behind its branding and epitomise them.

Before starting Banyan Tree, he spent about 15 years in his family business, Wah Chang, which had

interests in various businesses from property development to trading. He joined after his father, Mr Ho Rih Hwa, suffered a stroke.

He said because Wah Chang was "a corporate Jack of all trades but master of none", it relied on competitive pricing instead of technology and design, or brand appeal.

He recalled seeing it as an omen when a sports shoe factory in Thailand had close after a year of operation because Indonesia

became a cheaper alternative.

And now, as China lures foreign investors, companies in the region are realising that they did not build up their brands or proprietary technologies during the good years as they should have.

He said the challenge of Banyan Tree at the outset was to build a sustainable brand that could thrive in the global arena even with copycats around.

And future global expansion would continue to depend on its ability to find locations and local employees that can replicate the "Banyan Tree experience".

The group has 18 hotels and resorts, 46 spas and 51 galleries in 19 countries.

'I have never read a book on branding, but I know that one of the first tenets of branding is that third-party endorsement is always more valuable than pages of advertising.'

- Mr Ho Kwon Ping, chairman of the Banyan Tree Group