

PRODUCT DIFFERENTIATION IN INTERNATIONAL ACCOMODATION ESTABLISHMENTS: THE CASE OF ACCOR HOTELS

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ABSTRACT

Accommodation establishments differentiate their products in order to have a profitable share in a competitive environment. This differentiation may be one that is enacted in the concept of the rooms within the establishment itself or a business-based differentiation with respect to different hotels within the same group. Accor Hotel Group stands out as one of the international groups that implement product differentiation most effectively and comprehensively. In this study, Accor Group has been researched and its applications of product differentiation in the member hotels have been examined. It has been found that the Accor Hotel Group differentiates its products for a target audience profile consisting mainly of four different groups, and it carries out these differentiations efficiently through taking into consideration the different features and needs of its target market.

Key Words: Tourism product, Product Differentiation in Hotels, Accor Hotels

Jel Code: M16, M31

1. Introduction

As the concept of tourism product shares the same breadth with the concept of tourism, there are several definitions for tourism product in the scholarly literature. Besides the variety in the types of tourism, the variation of tourism products according to consumers, location, and time contributes to the diversity of these definitions (Hacıoğlu, 2000; Yarcın, 1998; Burkart, Medlik, 1998). In the broadest and most comprehensive formulation, tourism product can be defined as the entire activities, services, and utilities that comprise the touristic experience. Kotler, Bowen and Makens (1996) define it as all consumption and use that meet a certain need or demand as a compound of such fundamental components as physical facilities, services, places, organization, and idea.

Middleton & Clarke (2001) use the phrase “bundle of activities” in their definition of tourism product. Uygur (2007) asserts that the concept of bundle of activities includes such abstract components as natural, social, political, and psychological data besides the tangible components. When all these components are brought together and blended, the tourism product will be liked by its consumers, and these services will be further demanded by the customers. Because of the differences in their travelling patterns, different customers hold different expectations and have different consumption habits, and it is therefore necessary for the tourism product to involve a multiplicity of components.

Smith (1994), who has a similar definition for tourism product, defines the term using the word generic, which connotes “a whole consisting of several parts”. Another study that emphasizes the significance of customer experience in defining the concept of tourism product was conducted by Edvardsson & Olsson (1999). According to this study, the experience that emerges in the process of consumption, is all the value added and quality produced through the product in the eyes of customers. The fact that travelling individuals have different tastes and preferences, forces establishments to differentiate their products. The tourism product offered by companies for consumption are evaluated by the customers in the process of consumption. It is indispensable to dominate the competition with similar products and to carry out differentiation in order to be preferred by a bigger group of customers. As Uygur (2007) suggests, product differentiation essentially means adding to or subtracting from an existing product one or many features.

Witt & Moutinho (1994) mentions that there can be no product differentiation for tourism products in countries where there is no system of tourism that would push customer expectations forward. Also, product differentiation should be carried out on the basis of the data obtained through independent researches on market demand and customer perception (Komppula, 2001). In other words, it can be said that product differentiation is not a process to be led by manager or staff. In the beginning of this process, the purpose of all analyses concerning product demand or product improvement should be examining customer behavior towards various ways of buying as well as the company’s buyer profile (Liao, Chen, Deng, 2009).

In tourism, which is a dynamic sector, products change indispensably parallel to the change in customer attitudes and behaviors. Tourism companies have to differentiate their products, if they want to maintain a sustainable demand. As Tosun et al. suggests, introducing new products has become one of the most important elements of the tourism industry (Tosun, Bilim, Temizkan, 2003). Moreover, however the concept of product differentiation is called, need for new tourism products will inevitably arise in response to the changes in the attitudes and behaviors of travelling individuals. Kurnaz & Kilic (2010) also underline the necessity of developing new products and carrying out product differentiation in tourism products.

2. Product Differentiation in Accommodation Establishments

Accommodation establishments not only create the highest amount of jobs in the tourism sector, but they also get the bigger share in profits. The image associated with an accommodation establishment is known to be directly related with its services and the quality of the food and drinks it provides. This could be because what attracts an individual to a particular tourism product is its being a lifestyle enriched with various food and drinks. Therefore, food and drinks are two important components of product differentiation in tourism products as well as the most effective factors in increasing the product attractiveness.

When a company sets out for product differentiation, rooms are the units that are extensively present in every stage of the process. A hotel room is roughly classified into three groups: basic, luxury, and opulence (Bresler & Cecilia, 2008). However, these groups are extremely general and the actual terms used in the accommodation industry are extremely supple. One reason for this discrepancy is that the tourism products are extremely heterogeneous, and that the rigid terms coined by official institutions has little bearing in the literature (Holloway, 1998).

In order to be able to present their goods and services differently, accommodation establishments take certain criteria into account. Among them, the one that stands out is the attempt at creating brand value, which is undertaken with the aim of making a difference and covers all other criteria. One of the points that brand managers emphasize is that the guests should feel special when they are using a product. This feeling of specialty makes it easier for the customers to distinguish the product from its alternatives, and for the company to differentiate its product from that of its competitors (Daun & Klinger 2006).

Every product can feel different for different customers depending on their perception and valuation. Having been differentiated this way, the product can assume the image of the preferable product in the eyes of the consumers among its various alternatives, if it can create the impression that it meets the needs of the consumers, and that it cannot be substituted (Cecilia & Bresler, 2008).

Companies can adopt various product differentiation strategies or policies when offering their products to their target audience; however, the extent to which these strategies and policies can be successfully implemented depends on the type of company and the characteristics of the product the company offers. For example, an automobile company or restaurant can differentiate their products more extensively than other products such as wheat, computer chip or cement. But, according to Peters (1987), every product or service can be turned into a new value-added product or service. The fundamental policy that should be pursued here is to have a vision that does not reduce product differentiation to an effort towards merely creating differentiated products. In product differentiation, the company should aim to identify every potential interaction between itself and its customers and improve them in addition to offering different products and services. However, two issues should be given special attention here. The first is that the expectations of both demanding and supplying parties should be carefully analyzed. This will help differentiate the supply and determine how valuable the differentiated products or services supplied by the company are in the eyes of the demanding party, that is the consumers. The second issue concerns whether the cost of differentiated products and services exceeds the cost estimated by the company. Paying attention to these two issues will help companies entertain a more profitable and healthy potential for differentiation both from the point of view of customers and from that of the sustainability of the company itself (Grant, 2004).

The likelihood of a gradual increase or decrease in the number of individuals demanding a product and the change in the amount that they would be willing to pay for it are two of the issues that the companies should pay attention to and take into account in advance in their product differentiation strategies (Smyth & Phillips 2002).

3. Product Differentiation in International Hotels

The international tourism market is quite big. It is difficult for companies to survive and ensure sustainability in this fiercely competitive environment. Some marketing systems can help companies maintain their existence in the market. The most important of these systems is the chain system, according to which the production and the distribution processes are grouped together under one single ownership. This system has proved to be successful especially in accommodation, transportation and catering industries, which are all parts of the tourism industry.

Table 1: Chain Hotel Giants of the World

Once can speak of two types of hotel standards in the tourism industry: local and international. The standard of the products offered by hotel establishments vary depending on these standards. While products

offered by an international hotel can come quite close to meeting customers' expectations, it is more likely for customers not to find a product that lives up to their expectations in local hotels. The most prominent international hotel establishments are listed in Table 1.

While there is no globally accepted standard system of classification for hotels, there are still some methods of classification that are accepted in many countries. The most important of these systems is the star system, which is generally accepted in Europe, Australia, and America. In this system, hotels are rated over a scale of five stars, the lowest quality being represented by one star and the highest quality five. Besides this star system, there is also a half-star rating system in Canada and Australia. The America Automobile Association uses the diamond-rating system instead of stars in the classification and rating of hotels (Minazzi, 2010).

Table 2. The American Automobile Association (AAA) Diamond-Rating Guide (2008).

The hotels in the US and Hawaii are classified on the basis of many criteria such as attractiveness, location, and target market. Some of the subcategories are classified as follows (www.tim.hawaii.edu):

Airport Hotels: This type of hotels are located in the vicinity of airports so that they can satisfy the needs of individuals travelling for business purposes by air.

Convention Hotels: This type of hotels are located in big cities closer to places where public services are provided and include necessary facilities for a convention or show.

Commercial Hotels: This type of hotels are located in cities and target middle and upper class customers and business travelers.

Suite Hotels: This type of hotels are apartment-type establishments and have more space and facilities.

Timeshare Hotels: This type of hotels are generally located in holiday destinations and include facilities like kitchen that customers can use under their own ownership. In these hotels, customers can use the facilities like their own houses and can rent them if they are travelling to other destinations.

Apart Hotels: This is the type of hotels whose ownership is shared partially among customers. The customers are allowed to stay in the facilities during certain periods of the year.

Motels: This is the type of hotels that are located next to highways and include amenities such as parking, swimming pool, coffee shop, and family-oriented facilities. These hotels are very widespread in the US, where travelling by car is prevalent. While this type of hotels are not common in Europe and in Turkey, there are still some hotels located around downtown areas that offer similar services.

Bed and Breakfast: This is the type of hotels with modest amenities that provide breakfast and light meals in private properties. These hotels are generally run by families.

4. The Case of the Accor Hotel Group

Accor is a French international hotel business, a prominent company in the world and the leader in Europe. Its operations started in 1967, when the Novotel Hotel, which is still operating, was opened and started offering services in Lille, France. Thanks to the customer-oriented vision of its founders, Paul Dubrule & Gerard Pelisson, Accor now offers services in a wide range of locations in 90 countries with more than 4200 hotels, more than 500 thousand rooms, and 145 thousand personnel (www.accor.com).

Table 3- Distribution of Accor Hotels (2011)

As of the end of 2011, the Accor Group operates in Turkey with a total of nine hotels, five of which are Novotel and the remaining four İbis. There are both Novotel and İbis Hotels in Istanbul, Kayseri, and Gaziantep, only the Novotel Hotel in Trabzon, and only the İbis Hotel in Bursa and Eskisehir. The Accor Group has a total of 1469 rooms and 350 personnel in Turkey.

What underlies the vision of the Accor Hotel Group is to offer different products to customers with different expectations. The group aims to offer products and services that can meet the expectations of its target customer groups by identifying general customer tendencies and preferences. According to the

information published on the official website of the Accor group, the group employs a total of 145 thousand people in 5 continent and 90 countries. The group offers 15 different products and services that range from luxury class to budget class. The group's product and brand positioning strategies in different market segments are presented in Table 4. It can be seen that in developing these products the group essentially aimed to offer product and services that can perfectly match with different customer needs and expectations (www.Accor.com, 2011).

Table 4- Classification of Accor Group Hotels

4.1. Marketing Communication Efforts

Just like other sectors, it is essential for the companies in the accommodation sector to establish effective marketing communication. The Accor Group shows various marketing communication efforts in order to be able to reach the target market for all of its member hotels. One of the efforts effectively carried out by the group is sponsorship. There is a different sponsorship strategy for each of the group hotels. One can observe a wide range of practices employed as part of different sponsorship strategies employed by its member hotels.

Sofitel, which is the brand in the Accor Group appealing to the upper class customers, officially sponsors many sports activities involving golf. Among these activities are the second biggest women's golf tournament Evian Masters, which is broadcast in 100 countries all over the world, Omega China Tour, PGA (Professional Golfers' Association) which is participated by many professionals. Moreover, Sofitel signs agreements with the most prominent institutions in the cinema industry in order to attract the attention of the international society. It can be said that Sofitel is able to find good opportunities for promoting its brand in various countries thanks to having signed a sponsorship agreement with the Unifrance, which is an organization that promotes French cinema all over the world.

Mercure, which targets the upper class market segment, employs a sponsorship strategy that accords with its own target market. As its target customers consist of individuals who prefer originality and cultural values, Mercure aims to promote itself through sponsorship activities in areas such as the French National Rugby League, various cultural concerts, comedy shows, and musicals.

Another member of the group, Novotel, engages in sponsorship activities in soccer, which is the most popular sports in Europe. Novotel is the official sponsor of Olympic Lyon, which is playing in the first league in France as well as in many Europe-wide tournaments. Novotel is also one of the organizers of the Danone Nations Cup. Contrary to Sofitel's international engagements, Novotel acts more locally and sponsors such sports activities as Africa Cup and French Open Golf Tournament.

Appealing to a young group of customers interested in sports activities, Etap Hotel sponsors Tour de France cycling race. The hotel organizes various activities related to the tournament and uses a recreational vehicle to advertise the brand during the tournament. Etap Hotel pursues an active strategy in marketing its products and engages directly with its target customer group intrigued by sports.

Motel 6, which offers services predominantly in the US, focuses on bowling, which is one of the favorite sports branches among Americans, and sponsors the Professional Bowling Federation. Concentrating on a very specific target customer group, Motel 6 increases its market share by showing that it values the interests of this group.

Along with all these strategies differentiated on the basis of target customer groups, the Accor Hotel Group also sponsors the Olympic Games. The group was the official sponsor for the French, Australian, and New Zealand teams and hosted the Australian Olympics Committee at the Novotel Beijing Peace.

The most effective marketing communication tool used by the Accor group to reach its customers after such promotional and sponsorship activities is the group's website. Along with various advertisements and information promoting the company, the website also brings together information about its member hotels under one heading and provides customers with an easy way to access information about these hotels. The users of the website can access detailed information about the location, amenities, and price range for each

of the member hotels and can make a decision on the basis of their interests and budgets. The information provided on the website does not come merely in the written form; photos and maps are also used to enhance the available information on the website. Moreover, the users can also see whether a particular member hotel has available rooms during their travel period through the same online system.

The most widespread reason to use the website is booking. According to the sales numbers published on the official Accor website, 43% of all hotel revenues came from the online booking system in 2010. According to the provided data, this percentage corresponds to 32 million nights of accommodation. The website was declared to have a total of 183 million visitors. It can be suggested that the group's websites have a reliable and dynamic structure.

The Accor Group appeals to a wide range of customers with many products, but pursuing an advertisement and marketing approach that values the interests and values of its target customers has become the fundamental vision of the company. By adopting a marketing, support, and sponsorship strategy that matches with the values of its target customers, the Accor Group was able to raise awareness of its products in different target markets and dominate the market by increasing the demand through its differentiated products.

4.2. Price Differentiation Practices in the Accor Hotels

Accor Hotel Group has various hotel brands with the aim of establishing market communication with different target groups more easily and accommodating as much touristic demand as possible. It is remarkable how each hotel has a pricing strategy that matches with the products it offers.

*** Sofitel:**

Sofitel is the highest class member of the Accor Group in terms of the target market it appeals to and the amenities provided in the hotels. Sofitel stands for the highest quality that the group attained. It offers services in 51 countries with 161 hotels and 36237 rooms. The most important characteristic of this top-notch brand is that all Sofitel hotels are designed with a special attention to the values of the city in which they are to be located. Sofitel offers to its target group more than what one would expect of a luxurious hotel with unlimited comfort, modern services, elegance, and unparalleled French lifestyle.

The location of a hotel in a city is very important in terms of accessibility. This is why Sofitel chooses the most outstanding cities of the countries where it is to be established. Moreover, Sofitel chooses the locations within the city that are most accessible. A good example of this is the Washington Sofitel, which is only two blocks away from the White House.

What is most striking about the rooms and suits of Sofitel is that they are structured in such a way to constitute a convergence point for differences. These differences are convenience, comfort, elegance, freshness and luster. Therefore, Sofitel hotels appeals to all five of the senses.

- Hearing: Acoustic comfort
- Vision: Originality in decorations
- Smell: Smoke-free rooms, fresh smelling items
- Taste: Meticulous catering provided with utmost care
- Touch: Soft beds, decorations made of high quality fabrics

Sofitel also creates a difference for its customers through a product differentiation strategy within the establishment, according to which it offers rooms designed by the most famous designers in the world under the concept of "The My Bed".

Sofitel aims to provide its customers with the most exquisite examples of the French lifestyle with the most prominent chefs in the art of cooking. Sofitel adopts as a principle providing its customers with free activities in the gyms prepared according to the needs of its target customers, a refreshing atmosphere, and non-stop customer care. Thermal springs is another distinctive quality of Sofitel, and these thermal facilities are always designed according to the architectural and artistic qualities of the city where the hotel is located.

Sofitel also aims to attract the cinema industry, for which luxurious hotels have always been a charm. Taking a first step by hosting the production of the movie "Death on the Nile" at the Sofitel Old Cataract in Egypt, Sofitel consolidated this vision officially by signing an agreement with the French cinema association Unifrance in 2007. This helped Sofitel host very important cinema events at their individual hotels and thus attain a great success in the promotion of the brand. In addition to these cinema facilities, Sofitel hotels also offer various golf facilities, which is supposed to attract upper class customers.

*** Pullman**

Pullman, is the member of the Accor Group that appeals to the upper class customers. Designed according to the needs and expectations of the business world, Pullman offers services in 23 countries with 59 hotels.

The services at the Pullman Hotels start at the entrance hall. Customers are greeted by a professional staff named "Welcomer". Hotel rooms and other recreational facilities are designed on the basis of the principles of ensuring comfort for businessman and maintaining their connection with the world. Having rooms equipped with internet and intranet facilities, Pullman hotels has become all the more attractive for its target customer group, which is the business world.

Providing their customers with various flavors from all over the world in unique ways with the help of experienced cooks, Pullman Hotels successfully makes its customers feel special. 'Chef's Table' where customers get together to discuss their views about foods, 'Vinothèque' which is organized in the form of a workshop with an exquisite selection of wines, "Active Cuisine" which gives the customers the opportunity to witness the skills and abilities of the chef while cooking are good examples of such service.

With conference rooms equipped with the state-of-the-art technology supervised by Event Managers, the Pullman Hotels also employ IT Solutions Managers to be able to respond to technical problems. Moreover, these conference rooms host the activities called "Coaches à la carte" at which the most prominent individuals in different fields are given the opportunity to share their experiences with others.

*** Novotel**

Novotel, which is the 4-starred member of the Accor Group, appeals both to the business world and families. Emphasizing innovation in its hotels, Novotel took a major step in product differentiation by offering the Novation rooms. The features of these rooms include:

- Comfort and coziness
- A customizable big bed
- Expanded bathrooms
- Technological facilities
- Difference from other rooms

With its technologically-equipped convention rooms, Novotel provides its customers with a space where they can hold seminars, meetings, and conferences. As the label Family & Novotel on their website suggests, Novotel attaches much importance to the services offered to families besides the business world customers. It also collaborates with leading family experts to be able to provide a better service for its family customers. Its website has the necessary infrastructure for family members to download music and other types of media.

Additionally, Novotel offers the following:

- free accommodation and breakfast for children up to 16 years old.
- special diet menus available for children
- entertainment areas where all family members can have a good time
- rooms in which 2 adults and 2 children can stay together.

- Special gifts for customers upon arrival and departure

***M Gallery**

M Gallery is the member of the Accor group that emphasizes history and art. The M Gallery Hotels are upscale hotels that aim to bring together their customers with cultural heritage. These hotels are grouped into four categories on the basis of their individual features.

- Hotels where history is reflected in the building structure. In their services these hotels emphasize the important people who previously stayed at the hotel or important events organized there.
- Hotels that are constructed in a historically important location in the city.
- Hotels that completely reflect the vision of the person who built it
- Hotels with interior and exterior designs all created by famous architects and decorators.

As the M Gallery Hotels serve to a customer group who attaches much importance to cultural values, the rooms at the M Gallery Hotels are designed in such a way that customers can experience the architectural texture. The hotels also offer reading rooms and a library.

These hotels have a breakfast service called 'Big Breakfast in Bed'. An open buffet and brunch service are available for customer use. By offering services such as tea/coffee service in front of the fireplace and drink service at the piano bar, the M Gallery hotels makes the stay more suitable for upper class customers.

*** Mercure**

Mercure is one of the members of the Accor Group that values individual hotel management the most. With a wide network of 704 hotels in 50 countries, Mercure allows every hotel to build up its own character. Thanks to this flexibility, Mercure hotels may be located at downtown, uptown, near airports or near the beach. With its numerous hotels, the Mercure hotel network is the biggest third in Europe and the sixteenth in the world.

Restaurants at the Mercure Hotels create their menus taking into account the local cuisine of the region where the hotel is located. In addition to local food options, the Mercure Hotels also offer what is called Grands Vins Mercure in their wine menu, which is a rich and inexpensive wine that has been tested by famous experts since 1983.

The Mercure Hotels aim to build a network that concentrates on the cities where the hotels are located. In this view, they respect the decisions of each individual hotel management concerning the character they would like to fashion for their buildings.

*** Suite Hotel**

Suite Hotel is a 3-starred member of the Accor Group that appeals to upper class customers. The most important characteristic of this brand is that the suites can be customized according to personal desires of all customers regardless of whether they are travelling for business or recreational purposes. The most important features of the rooms are that they are spacious, refreshing, and equipped with many technological amenities.

In addition to these features, the bathroom and the restroom are separated in the rooms in order to make customers feel at home. Rooms also include a microwave oven, bar, double bed, and a coach. Extra services offered at the Suite Hotels include health-related amenities such as gym facilities and free massage.

Another striking feature of the Suit Hotels is their focus on affordability, which is not found in other hotels appealing to upper class customers. Right pricing and a perfect match between price and services play an important role in the promotion of the Suite Hotels. For example, the Suite Hotels offer:

- Free accommodation for children under 12, who stay in the same room as their family

- Half price for the fourth night in 4-night bundles
- No charge for the seventh night in 7-night bundles
- Room service breakfast for 10 Euro and breakfast bundles for 5.5 Euro

* **Adagio**

Adagio is the member of the Accor Group which adopts the apart-hotel concept. Its target group consists of individuals travelling both for business purposes and leisure. The most important philosophy adopted by the Adagio Hotels is reflected in the motto “feel home, away from home”.

Having adopted an apart hotel style, the Adagio Hotels have rooms with amenities such as a kitchen equipped with essential kitchenware, living room, bathroom, cable TV, internet, and phone. Moreover, the 24/7 reception desk provides fax and photocopy services as well as daily newspapers and magazines. With all these amenities, the Adagio Hotels appeal to the travelers of our times, who would like to experience neighborhood relationships even away from home.

Since Adagio hotels also appeal to the business world, the hotels are located in the vicinity of downtown areas. Employing product differentiation with the aim of minimizing the traveling expenses of its customers, the Adagio Hotels offer studio, one-bedroom, and two-bedroom options. They also offer lower prices for longer stays and can provide extra breakfast, parking, and room cleaning services upon request.

* **All Seasons**

All Seasons is another member of the Accor Group, which is of Australian origin. These hotels offer top-notch room service breakfast and many other amenities. While every All Seasons Hotel has to meet all of the All Seasons criteria, they are also free to have certain individual characteristics and their own atmosphere.

Aiming to offer higher quality services than what is expected of them as an economy class hotel, the All Seasons hotels appeal to various groups including families and individuals who try to meet some budget criteria in their trips.

* **Ibis Hotel**

Ibis Hotel is the member of the Accor Group that appeals to economy class customers. In its promotional materials, Ibis Hotel emphasizes its focus on people travelling for shorter periods of time such as weekenders. They guarantee to solve all problems that might emerge during these short stays within 15 minutes and promise a free stay if they fail to do so.

One of the most important characteristics that set Ibis Hotel apart from all other economy class hotels is that they host various restaurants. Having concentrated especially on the low-income customers who enjoy well-prepared foods as its target market, Ibis Hotel aims to offer a wide range of food options to its customers at the following restaurants:

- The Estaminet Restaurant: Restaurants that offer local foods and a local atmosphere
- Courtepaille: Restaurants with a rich selection of food with authentic options
- Cafés: Cafes that offer an original ambiance and various entertainment services

* **Motel 6 (US-Canada)**

Motel 6 is the member of the Accor Group that operates only in the US and Canada. It appeals to low-budget customers and guarantees the lowest price and best service quality among the hotels in the same market segment. These hotels provide such amenities as cable TV, free local phone calls, and free coffee in the morning. Children can stay at the hotel free of charge.

Studio 6, which is a new product of Motel 6, offers a new room design. These new rooms are 28 square meters and include a fully-furnished kitchen, more spacious work space, and various technological amenities.

*** Etap Hotel**

Etap Hotel is known as the member of the Accor Group that offers bed and breakfast type of accommodation in Europe in rooms that sleep one, two, or three people. These rooms include double beds and bathroom. In their rooms customers also have access to a TV with national and international sports, music, and news channels. The Etap Hotels are also open to upgrading their products as exemplified by the inclusion of Wi-Fi internet connection in light of recent technological developments to its set of amenities offered at the hotel for the use of its target customer group who love travelling.

As the Etap Hotels appeal to a group of customers who love travelling and thus need a lot of energy, these hotels offer an unlimited breakfast service for their customers to help them make a fresh start to the day. Another differentiation carried out by the Etap Hotels is their meticulously designed shower facilities. The hotels also offer hot and cold beverages as well as convenience foods in vending machines 24/7.

*** Hotel Formule 1**

Formule 1, which resembles Etap Hotels in structure but offers services outside Europe, is another member of the Accor group focusing on the budget class customers. Formule 1 guarantees lowest prices but offers lower quality services compared to the other members of the group. These hotels feature rooms that sleep one, two, or three people, bathroom outside but just next to the rooms, self-service breakfast, and vending machines. The hotel also offers parking for its customer group that travels by car.

*** Thalassa Sea & Spa**

As one of the recently implemented product differentiation strategies of the Accor Group, Thalassa Sea and Spa Hotels are establishments that offer sea water therapy in France, Morocco, and Italy. The target customer group for this brand are individuals who seek a relaxing and refreshing hotel stay. These hotels healthy food prepared under the supervision of dieticians, and physical therapy and fitness services where customers can engage in various physical activities for a healthy life in addition to sea water therapy.

*** Lenotre**

Lenotre is a recent acquisition of the Accor Group. The company was established in 1957 and has been recognized internationally for its distinctive food services primarily in France but also in many other countries. Known as the center for the gourmet food culture, Lenotre Hotels host over 6500 cocktails, receptions, events, training seminars, etc. every year. Sharing its know-how with the personnel within the establishment as well as with other hotels in the sector, Lenotre continues to shine as an outstanding member of the Accor Group with a leading role in the hotel industry.

CONCLUSION AND RECOMMENDATIONS

This research examines the Accor Group, which successfully implements product differentiation as a market entry strategy in the accommodation sector. Market segmentation, positioning, and product differentiation strategies of the Accor group are also evaluated. The group is analyzed in terms of the market communication efforts carried out in the group hotels, which was found to be in harmony with the characteristics of the accommodation industry. The distinguishing characteristics of the practices of Accor Group Hotels are particularly highlighted.

In today's competitive world, companies not only have to meet a certain standard in their production but also have to be concerned about developing customer-oriented products. This is how they can have a

weight in the market in which they are operating and add new customers and sometimes completely new customer groups to their existing customer profile. This is why one of the most important things to do for the hotels is to internalize the concept of product differentiation.

The concept of "product differentiation" which involves responding to the expectations of one's target markets explains why the Accor Hotel Group implemented various product differentiation strategies. The group has identified four different products target customer profiles and developed various products in light of their particular characteristics. These products were offered in ways that take into account the different characteristics of each customer group. The difference between how Sofitel and Etap Hotels promote their products also reflects the difference between their target customer profiles.

Identifying the expectations of their target groups help companies develop the right products and to choose the right promotional strategies for these products. Such evaluations will provide great benefits to companies by helping them save time and reduce costs.

Following the example of the Accor Group, it can be recommended that companies in the tourism industry where a fierce competition reigns, should strive for offering their products in the best possible way and do so taking their customers' expectations into account. They should even consider acquiring the products that they don't have but offered by competitors in order to reach other customers in the market. They should make sure that their high quality products and services are sustainable so that they can increase their profitability and dominate the market.

In this competitive and volatile environment, the best way to create a sustainable difference in products and services in the hotel industry is to adjust one's steps to the interests and demands of consumers. In this way, new technologies and amenities developed by hotels can match better with their customer profile and reach their target customers. Differentiating existing products can also help them expand the range of their target customers and add new groups into their customer portfolio.

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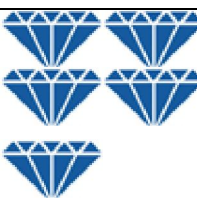
TABLES:

Table 1: Chain Hotel Giants of the World

CHAIN HOTEL GIANTS OF THE WORLD		
Chain Hotel Establishment	Number of Chains	Number of Rooms
Holiday Inns	1645	327,059
Hospitality	2298	289,990
Best Western	3310	266,990
Choice Hotels	2295	214,411
Accor	1875	212,500
Marriot	698	160,968
ITT Sheraton	423	131,348
Hilton	257	94,232
Forte	853	76,330
Hyatt	159	74,801

Source: Rızaoğlu (2007: 461)

Table 2. The American Automobile Association (AAA) Diamond-Rating Guide (2008)

LEVEL	DESCRIPTION
	<ul style="list-style-type: none"> - Features appealing to budget-conscious travelers - Essential, modest accommodation - Basic requirements pertaining to comfort, cleanliness, and hospitality
	<ul style="list-style-type: none"> - Features appealing to travelers who are looking for more than basic accommodation services - Enhancements to basic design elements, amenities, and all physical features at a typically reasonable price
	<ul style="list-style-type: none"> - Features appealing to travelers who have a wide range of needs - Multifaceted facilities with a distinguished style, including marked upgrades in the quality of physical attributes, amenities, and level of comfort provided
	<ul style="list-style-type: none"> - Upscale features in all areas - More refined and stylish accommodation and an extensive array of amenities - A high degree of hospitality, service, and attention to detail
	<ul style="list-style-type: none"> - Ultimately luxurious and sophisticated features - First-class accommodation, extraordinary facilities and amenities - Meticulously provided services beyond customer expectation - Impeccable standard of excellence - Many personalized services and amenities

Source: Minazzi, 2010: 75

Table 3- Distribution of Accor Hotels (2011)

HOTEL	# of Countries	# of Hotels	# of Rooms
Sofitel	38	121	29 987
Pulman	16	49	13 924
M-Gallery	18	33	3 632
Novotel	58	395	72 805
Mercure	49	674	83 428
Ibis	48	900	107 735
All Seasons	10	115	10 267
Etap- Formule 1	15	480	42 892
Motel 6	1	1090	107 646

Source: Compiled from the Accor Group Websites.

Table 4- Classification of Accor Group Hotels

	STANDART	NON-STANDARD	LONG STAY	JOINT VENTURE
LUXURY CLASS		SOFITEL LUXURY HOTELS		LENÔTRE
UPPER CLASS		pullman MGallery	Grand Mercure Apartments	Thalassa
MIDDLE CLASS	NOVOTEL Novotel	Mercure	adagio	
ECONOMY CLASS	ibis HOTEL	all SOFITEL		
BUDGET CLASS	Etap HOTELS In Europe Outside Europe 6 In USA & Canada hotelF1 In France		studio 6 In USA & Canada	