

**Press release**

September 13<sup>th</sup>, 2011



## **Dynamizing its economy brands, the first stone of Accor's new strategy**

Accor, now a pure-player in hotels with the acknowledged three-fold expertise of a hotel operator, hotel franchisor and hotel asset manager, unveils its new strategy and inaugurates a new chapter in its history with the economy brands ibis, ibis styles and ibis budget.

*"Today we are launching a large-scale project to establish Accor as the world reference in the hotel industry capable of inventing the hotels of the future. This major initiative will involve all our teams.*

*To do so, we will rely on the Accor brand that we intend to make more visible to the general public in particular, in order to meet distribution challenges.*

*Our ambition is reflected through a new signature: "Open New Frontiers in Hospitality" and through stronger identity symbols.*

*Our objective is to offer a new, unique hotel experience with repositioned brands and modern, innovative services", declares Denis Hennequin, Accor Chairman and Chief Executive Officer.*

*"I have decided to challenge some of the basics of our business model: change is not an option, it is a necessity.*

*The first part of our project concerns the economy segment.*

*With our international leadership, we will revolutionize our economy brand portfolio around the ibis brand, which benefits from unrivalled worldwide notoriety. Consequently, ibis, Etap hotel and all seasons will evolve into a group of three strong, innovative, modernized brands and become ibis, ibis styles and ibis budget. "ibis" is now the keystone of our economy portfolio", adds Denis Hennequin.*

## The economy brand dynamization strategy

Observation of constantly evolving life styles and consumption modes was the starting point of Accor's reflection on its economy brands.

Consumer expectations have evolved significantly. The vertical segmentation of economy to upscale brands is a thing of the past. Now, all brands must be able to project a self-enhancing image to their customers and offer modern, contemporary, stylish services.

For that reason, Accor felt that the group's economy hotel products and services needed to be re-invented so they could transcend their market segment and cater for the changes in consumer expectations.

### **ibis becomes a Mega Brand with three brands:**

- **ibis, which remains ibis,**
- **all seasons, which will become 'ibis styles'**
- **Etap Hotel, which will become 'ibis budget'**



**The implementation of this new segmentation – which will be completed worldwide by early 2013 – will increase the clarity, consistency and strength of the three economy brands, will enable Accor to achieve critical mass in several markets and will also boost each brand's notoriety and growth potential.**

A vast communication campaign will accompany this rebranding in 2012. Its objective will be to capitalize on the image of the ibis Mega Brand by highlighting the shared DNA through three structuring concepts: **modernity, simplicity and well-being**, while clearly differentiating the distinct offers of each of the three economy brands.

ibis, ibis styles and ibis budget intend to become the brands that offer the highest level of comfort and well-being in the economy hotel segment.

A plan to modernize the hotels and improve bedding comfort will be implemented. We will proceed to a reconfiguration of common areas, food & beverage offer and consumer technologies so that the hotels correspond to new trends and meet the expectations of tomorrow's customers.

With its 1,500 economy hotels on 4 continents, excluding Motel 6 in the US, Accor absolutely must consolidate its leadership position in this segment which is essential for its profits and its worldwide growth. This new, ambitious brand project will:

- Strengthen our economy brands' notoriety and boost customer satisfaction,
- Improve the efficiency of our distribution and loyalty systems through the sharing of channels and tools,
- Ensure the expansion of these brands worldwide.

## ACCOR : “Open New Frontiers in Hospitality”

Accor is now a pure-player hotel group's brand. Denis Hennequin believes the time was right “to redefine its objective and missions”.

The new tagline “**Open New Frontiers in Hospitality**” reflects the group's aspiration to regenerate the spirit of innovation that is inscribed in the company's genes and imagine new forms of hospitality, in particular digital ones.

The Accor brand will now play a larger role, particularly with the general public.

On the one hand, it will convey the Group's commitments to wider audience, particularly in human resources, sustainable development and multiculturalism, thus generating more value for all hotel brands.

On the other hand, in the Internet battle field, which is crucial to the future of the hotel business, as a transverse commercial brand, it will be associated with the most strategic direct distribution channel, namely **Accorhotels.com**, and with the loyalty program A|Club renamed **Le Club Accorhotels**.

Lastly, to strengthen the bond of trust and the credibility of its brands, Accor will also become an endorsement brand with a new endorsement system, the “**by Accor**” signature which will be used in all the brands' communications.

Repositioned in this way, with a more distinctive and clearer identity system, the Accor brand aims to become the hotel industry's most competitive and attractive relationship brand for partners, employees and customers alike.



Accor, the world's leading hotel operator and market leader in Europe, is present in 90 countries with 4,200 hotels and more than 500,000 rooms. Accor's broad portfolio of hotel brands - Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, all seasons/ibis styles, Etap Hotel/ibis budget, hotelF1 and Motel 6 - provide an extensive offer from luxury to budget. With 145,000 employees worldwide, the Group offers to its clients and partners nearly 45 years of know-how and expertise.

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**Key figures for Accor's economy hotels**

**1- Network (July 2011)**

- Ibis: **919** hotels, 51 countries
- Etap hotel/Formule 1 (not including hotelF1): **518** hotels, 10 countries
- all seasons: **138** hotels, 13 countries

**A total of over 1,570 hotels, or more than 169,000 rooms**, representing 36% of Accor's portfolio (in number of rooms)

**Near 20,000 employees** (owned hotels and hotels under management contracts)

**2- Operating structure**

- 26% owned and fixed lease
- 23% variable lease
- 8% under management contracts
- 43% under franchise contracts