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ADAPTING TO POST-COVID19 REALITY AND EXTENDING THE BRAND TO A
NEW SEGMENT: The Case of Human Hotel

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Abstract

This thesis presents a Case Study on a Danish home sharing platform for artists called Human Hotel. The company implemented a rebranding process in 2018 to have a clear brand identity and a defined mission. However, with the advent of Covid19 virus, Human Hotel business was under threat. In order to tackle this adverse situation, the company considered the possibility of expanding into the segment of enterprises but keeping its newly refreshed identity and mission unchanged. The case outlines Human Hotel current brand identity and strategy, leading to the discussion on whether and how it should expand into the new segment.

Keywords

Human Hotel, Brand Identity, Brand Strategy, Rebranding, Home Sharing Economy, Covid19.

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PART A: Case Study

Introduction

It is June 2020 and the world is facing the Covid19 pandemic virus. Sixten Kai Nielsen, one of the founders of Human Hotel, a Danish home sharing platform, is looking out of the window on a rainy day in the cold city of Copenhagen. He is contemplating the company's new opportunity of expanding to a new B2B segment. His business was just starting to grow and have a clear brand identity after processes of rebranding and new expansion strategies launched in 2018, but now, with the spread of Covid19, the sharing economy industry was drastically declining (Hossain, 2020). Bookings on Human Hotel platform were going down with the stop of air travels and events worldwide.

In the previous years the company had put its efforts in defining a clear mission and a unique brand identity, in order to define what Human Hotel is today, a niche home sharing platform that focuses on the artist and creative market. They wanted to differentiate from the competitors in the market like Airbnb, Booking.com, Vrbo, Wimdu and FlipKey, by enhancing the value of human meetings and "humanizing" home sharing. They developed a website where people could book rooms or apartments from interesting hosts with similar passions and interests (art, photography, music, design, technology and more) and transform the mere and cold action of renting into a new experience of sharing ideas, works, conversations and meaningful meetings between guests and hosts. Now, with a virus that discouraged human meetings and encouraged social distancing, the company's core message and business model was under threat. That is why, Sixten and his co-founders Martin Rosengaard and William Rawlings had to start thinking about a way to make their brand adapt and survive to the new situation brought by the pandemic, while still fulfilling and being coherent with their mission.

A new trend in the way of working caught Sixten's attention: with the spread of Covid19, companies started to choose remote working for their employees. Therefore, more and more people were working from home full-time, missing the "human" side of their job that is meeting with colleagues at the office. Moreover, it appeared that remote working was not a temporary trend, but that it would be the new normal way of working. The remote working revolution meant that enterprises had to grow online-offline company culture in alternative ways. Additionally, with remote work on the rise, enterprises needed to maximize ROI on corporate travel. Therefore, taking all this information into account, the three co-founders started to consider the expansion of Human Hotel into the new segment of enterprises as a viable solution for the company. In particular, the ambition would be to match like-minded employees to facilitate private homestays and meaningful meetings within a company. The final goal would be to become the go-to partner for remote work stays for enterprises, NGO's and communities.

The intention to tackle a brand-new segment gave rise to crucial questions: should Human Hotel expand into a new business? How can they do it? Would they still be able to fulfill their mission? What would be the impact on existing customers? Would they be able to differentiate from potential competitors? What kind of enterprises should they be engaged with? What kind of strategy should they adopt to expand into the new corporate segment?

It was time to take a decision about what to do next in order to adapt to a new reality, a decision that would allow Human Hotel to keep growing.

Human Hotel History and Mission

The beginning

Everything started with a group of artists and activists, among which Sixten and Martin. They created the first online community for professional artists where people could upload and share

their artworks. The platform was called Wooloo.org and it was born in 2002, even before the launch of the first online communities like Facebook and Myspace. The founders evolved the scope of Wooloo to include home sharing for their target audience, an idea that resulted in the launch of Human Hotel in 2016. The origins of the idea can be traced back to the 2009 UN Climate Change Summit held in Copenhagen, Denmark. With the huge influx of UN guests, nation states, and large lobby organizations, all hotels in the already expensive city of Copenhagen were quickly booked out. At that time, home sharing platforms had not been created yet and private local renting was too expensive for the majority of the participants.

This is when Wooloo first came up with the idea of creating an antidote to the profit-over-people housing situation. Instead, they embraced the complete opposite: ask people to host a climate guest in their home for free. People laughed at them and only their artist friends signed up at first, but in the end 3,000 climate activists and NGO workers were hosted this way.

Wooloo created the possibility for strangers to share their homes and experiences, to thus collaborate under the broad goal of addressing climate change in a global conference.

After this episode, Sixten and Martin, continued working with human matching as an artistic format until 2016, when, together with their friend William Rawlings, they decided to create Human Hotel, a value-based company that had the aim of facilitating human meetings (Exhibit 1). In summer 2016, the very first version of humanhotel.com was ready to be used.

In the beginning, when Human Hotel only did free hostings with no money between guests and hosts, they learned a lot about curating encounters where strangers could enjoy experiences, share knowledge, and engage with people passionate about the same things as themselves. First, when bookings were still a few, they had human curators who matched every guest and host to create surprising personal and professional connections. Then, a matching algorithm was created for the website and meaningful meetings are still happening.

Currently, while still 10% of Human Hotel hosts have accommodated other members for free, the other 90% have been charging the guest a price - a community price, however, that is usually below the home-sharing market average.

The rebranding of 2018

The reasons behind Human Hotel Rebranding

In 2016 Human Hotel project was turned into a members-only travel community for artists, creatives and visionaries around the world. In the first two years of activity Human Hotel was still a very small company and only few people were aware of the existence of their niche service.

Therefore, in 2018 the company set itself the goal to grow the community and connect with its users. In order to do that, Human Hotel decided to start a process of rebranding. To make the company grow and to increase brand awareness it was important to define a clearer brand identity. It was crucial to stress the brand uniqueness and the way it differentiated from competitors, especially from the home sharing market leader, Airbnb.

The main goal of the 2018 rebranding was the one of making the company's identity more "Human". It was fundamental to express the mission and the values of Human Hotel, highlighting the brand positioning with the main message that "*We are Humans, not Hotels*". Therefore, they wanted to differentiate in the home-sharing and hospitality market. In the home-sharing market, private landlords increased rent prices for locals, and soulless apartments stayed empty. In the hospitality market, hotels were enormously damaging to the environment, and disruptive to the local infrastructure. Human Hotel wanted travelling to be about people instead of profit, and this concept had to be clear in the website and Social Media pages of the company.

It was important to show that booking with Human Hotel meant meeting inspiring people and feeling part of a community of artists, activists, visionaries and more.

Overall Strategy

With the rebranding process, the strategy of Human Hotel was based on the brand's ability to create relations and it was centered around the following main actions:

- 1. Building a community:* The website was the primary platform through which potential community members could be attracted, together with Social Media. Human Hotel was created for inspiring travelers that wanted to have a real impact in the world and that wanted to bring change. The brand values were clearly stated and could be perceived in the platform. Therefore, people sharing the same values and mission were more tempted to be part of the community. Human Hotel wanted to relate with its community in a personal way, and it did so by using a friendly and honest language. The tone of voice was personal, direct and passionate and the scope was to inspire the community and be inspired by its members. The community character was therefore passionate, dynamic, inspiring and prone to make a change. A sense of community was also built and perceived in a dedicated section of the website where stories about human meetings and experiences arising from homesharing and co-living with Human Hotel, from hosts, guests and other people were shared (Exhibit 2). In order to build a community, Human Hotel also collaborated with influencers and other well-known people with a similar target as theirs (artists, activists, visionaries and more) who took over the company Instagram Page and shared their experience as guests of inspiring Human Hotel hosts, encouraging their followers to discover Human Hotel and sign up to be members of this community (Exhibit 3).
- 2. Spread through ambassadors:* The ambassador strategy was centered around creating strong relations with users and turn them into ambassadors. Human Hotel

ambassadors had the role to attract people that could be interested in being part of the community and also to engage with those that were already part of it. For example, they organized events or dinners inviting both Human Hotel members and people that could be interested in their project.

3. *Viral growth hacking*: Human Hotel implemented organic and viral strategies to obtain a wide reach. Viral strategies were long-term and based on being spread in an organic way. For these strategies it was crucial to have brand consistency, patience and stability at all channels. Examples include SEO, process automation and email marketing.
4. *Partnerships*: Human Hotel partnered with numerous events, managing the accommodation logistics of the event guests. In particular, as an accommodation partner, Human Hotel matched guests and hosts to best cultivate their knowledge-sharing, social connections and memorable experiences. Guests could also obtain a 20% discount off the Community Booking Fees to save on travel costs. Moreover, the company created unique webpages for its partners to communicate important information like guest discounts, featured hosts and more.

Positioning and Target

Human Hotel distinguished from other digital home-sharing platforms such as Airbnb, Booking.com and more, by providing its users with the opportunity of being part of an inspiring community. The Point of difference of the company is the effort to have a real social impact in the world by matching like-minded humans. They do not want people to turn their homes into hotels and then remove themselves from them, instead, they strive to enhance the values of both the host and the guest. Taking Airbnb, the home-sharing market leader, as an example, it is possible to see how Human Hotel differentiated its service. Until 2014, Airbnb positioned itself as a globally recognised brand associated with travel, hospitality and sharing (Greenfield, 2014). Until then, the company never really focused on the mission and brand identity that was

perceived by people. For this reason, Airbnb started a rebranding process in 2014. The main idea expressed by the new logo, the new visuals and mission was to provide a sense of “belonging anywhere”. This aspect was similar to Human Hotel’s main concept of belonging to a community. However, with Human Hotel, users could actually meet other community members, live experiences with hosts and immerse in the culture of the chosen destination. The Human Hotel community was not a vague virtual idea, it was an active community of artists, creatives, visionaries who wanted to travel to meet new people. Therefore, members did not just “belong anywhere”, they chose to belong to the Human Hotel community.

Creative communities had been Human Hotel’s target since the beginning, and the general *persona* that stands out from the target is a woman with an age between 25 and 44 years old, interested in arts and in being part of a community.

Moreover, the brand identified 5 cohorts to target on a granular level:

1. *Artist – Experimental*: The Artist-Experimental cohort is characterized by highly educated individuals with an age between 25 and 45. They usually have mid to low incomes, they are curious, always seeking change and anti-mainstream. They are often interested in Contemporary Arts and care about climate issues. They mainly travel for exhibitions and cultural events.
2. *Creative Modern*: The Creative Modern cohort includes individuals with an age between 25 and 50. Their income is mid to high and they are status-oriented people, but open to change. They are often interested in fashion and interior design and are fond of the newest gadgets. They usually travel for interests.
3. *Activist – Political*: The Activist- Political cohort is represented by individuals with an age between 25 and 35. They have a mid to low income and usually work in NGOs. They often present a radical personality and are mission driven. They are highly

educated and care about underground cultures and civil rights causes. They enjoy meeting new people with the same set of beliefs and values. Activist-political individuals usually travel for research projects, interests, or to meet people.

4. *Academic*: The Academic cohort comprehend individuals with an age between 25 and 45. Their income is mid to low and they are usually employed in Universities or NGOs. They are highly educated intellectuals, interested in subjects like Science and History. Academic individuals like to meet new people with a similar level of intelligence and education as themselves. They travel for research, interests and to meet new people.
5. *Cultural Transformative*: The Cultural Transformative cohort is characterized by individuals with an age between 25 and 55. They are usually highly educated people with high incomes. Their personality has traits like ambition, cleverness, openness to change and interest in culture and arts. Moreover, they are very aware of the planet-wide issues like climate change and poverty. The cultural Transformative individuals usually travel for pleasure and visiting friends.

Defined Mission and values

In 2018 Human Hotel became a value-based and purpose-driven home sharing platform that has the aim of fostering human meetings. In particular, as stated by themselves, they have the mission to “*maximize meaningful meetings and save monetary and environmental resources by matching our purpose-driven guests with like-hearted local hosts throughout the world*”.

The company is characterized by a strong set of values which reflect the culture of the company to have a real positive impact in the world and have a sense of worldwide community where people connect with each other. Among the main values shared by Human Hotel, the ones standing out are Idealism (Activism, Sustainability, Collectivity), Creativity (Creation, Playfulness, Curiosity) and Self-development (Transformation, Purposefulness, Spirituality).

New Brand Strategy Implementation

After improving the quality of Human Hotel website in terms of technology, it was time to refresh the visual identity and content of the website and presence on Social Media.

The *logo* of the company was changed from the “H” of Human Hotel into a dot and a line (Exhibit 4). The reason behind the new logo design concept was to represent the essence of Human Hotel: The Human (the dot) and the connections (the line). Dots and lines became part of the layouts used in the website, in particular the dots grid symbolizes the community of creatives, while the lines grid represents the connections that happen within the community. Moreover, the design of the website was renewed with color tones that reminded all the shades of human skin, in order to highlight the culturally diverse community of artists that Human Hotel thrives upon and serves (Exhibit 5). The visuals of the website were curated with high – quality pictures made by professional photographers and hosts were required to update their profiles with higher quality pictures of their properties and an accurate description of their space and themselves. The content of the website was refreshed with a clear expression of their mission and their values. Indeed, in order to render the website more “human”, they dedicated a section to stories about hosts and guests that used Human Hotel platform to travel around the world and that lived meaningful experiences thanks to that.

An important feature that was recently added into the website is a matching algorithm. After the booking confirmation, the algorithm allows to see the profiles of Human Hotel members that live in the selected destination and that could be a good match for sharing ideas, meet and go to events together. Moreover, new members can see Human Hotel different communities and choose the one they prefer: Visual Arts, Body & Spirit, Activism, Sustainability, Music, Education, Technology and Film. The Instagram page content of Human Hotel was also

updated: before 2018 it was mainly about the community members' art projects and artworks, while afterwards it was again about hosts and guests' stories as well as art features (Exhibit 6)

Financial Performance

Human Hotel has been growing since 2018, both in revenue and community membership.

The financial results between 2018 and 2020 show a Gross Merchandise Value (Exhibit 7) growth Year over Year of 114%, with a total Gross Merchandise Value of \$100.000.

In 2018 the number of Human Hotel members doubled from around 1500 to 3000, in 2019 it rose to 4500 and 2020 counted 5453 members of which 1905 are hosts.

Moreover, Human Hotel also managed to strengthen member loyalty. Indeed, according to a survey done on 1000 Human Hotel members, the service offered by the company is appreciated and the matching system is working well: in particular, 84% of the sample had a memorable time with their connection and 79% would be very disappointed if they could no longer book through Human Hotel (Exhibit 8). The company had very aggressive goals for 2021 as they planned to double their profits, and until the advent of Covid19 it all seemed possible. Like several other industries, the travel and hospitality ones were harmfully affected by the stop of air travel and global travel restrictions. According to the UN World Tourism Organization data, International Tourist Arrivals declined by 70% between January and August 2020 (UNWTO, 2020) .

Therefore, given the hard times brought by Covid19, it appears unlikely that Human Hotel bookings alone will grant the completion of this goal.

For this reason, Human Hotel is considering the corporate segment to save its business in the home-sharing market.

The Opportunity: Expanding to a new Segment

The Sharing Economy: What is it?

Companies like Couchsurfing, Airbnb, Uber, Wework and their peers were born on the back of radical changes in consumer habits and behaviors. These companies are part of the so-called Sharing Economy (SE) that overturned entire sectors and brought profound changes in the business environment. According to a research study conducted by PwC (Exhibit 9), by 2025 companies having a sharing economy business model will have half of the revenues in these markets, amounting to 335 billion dollars (PWC, 2015). Academics have not found a common definition of Sharing Economy yet because of its broad and vague nature; however, this concept has become popular nowadays and the incorrect use of the word could be misleading. In general, the sharing economy could be referred to as “*An economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services, often facilitated by a community-based on-line platform*” (Investopedia, 2020). The Sharing Economy concept has an umbrella nature, meaning that it covers different topics from different areas. In particular, the concept can be based on three fundamental cores (Exhibit 10): Access economy, Platform economy, and Community-based economy (Acquier, 2017).

During the years the sharing economy saw people turning hobbies into income opportunities and customers paying less money for better services in a business model that was friendly to workers, consumers and even the environment (Toyama, 2020). The spread of the Sharing Economy business model had some drivers, among which social and economic changes like the spread of digital platform and devices, the desire to use material resources more efficiently, new consumer needs with more attention to environmental-friendly consumption choices, globalization and urbanization.

It is important to distinguish between two business models of the sharing economy in terms of the parties involved in the exchange (PWC, 2015): between consumer-to-consumer (c2c) and business-to-consumer (b2c) business models. In the first case, the demand and supply side interact with each other with the intermediation of a third company, through the platform it provides. In the second case, the provider of the service and the operator of the intermediation channel are one and the same: so the users obtain the resources they need from one company, through its own platform (Exhibit 11).

The Impact of Covid19 on the Travel and Tourism Industry

The sharing economy (SE) has allowed new kinds of travels where people can book through home sharing platforms like Airbnb, travel in a car booked on Uber, eat local food with EatWith, visit cities on a shared bike, all at a lower price than they would normally pay. Forecasts indicate that the global SE market is expected to grow exponentially, however, Covid-19 has radically affected the trend. The challenges faced by the sharing economy have been strictly related to travel and hospitality industries, as these suffered steep declines in the traditional forms of consumer transportation by air, rail, bus or taxi. Consequently, also the hospitality industry has experienced low occupancy and losses (Toyama, 2020). Therefore, activities like lodging, going out and eating in restaurants or drinking in pubs and bars, hosting conferences and events, cruising, as well as the role of travel agencies and tour operators in organizing such activities, were reduced significantly.

Booking cancellations took place all over the world: Airbnb saw a 53% fall in US bookings between February and April, China's Didi and France's BlaBlaCar experienced a drastic fall in weekly app downloads, down 75% and 65%, respectively, between January 2019 and March 2020 (Hossain, The effect of the Covid-19 on sharing economy activities, 2020). WeWork, the

US company that offers co-working spaces all over the world, is also experiencing a huge crisis as it is involved in a market that replaces co-working with smart working and where unemployment is rising to very worrying levels (The Adecco Group, 2020). Covid-19 had a negative impact on service providers, customers, and society as a whole and had prompted firms across different sectors to think about their services differently in order to mitigate the effects of the pandemic. For example, as far as concerns the hospitality industry, some experts believe people may now choose and prefer traditional hotels over home-sharing due to hygiene new standards. In contrast, others perceive home-sharing solutions safer, as encountering total strangers like it happens in Hotels would be avoided (Dubin, 2020). This shows how the future and consumer behavior are uncertain and up to change.

Companies in the hospitality market are trying to respond to this adverse situation in different ways. For example, Airbnb reacted to the pandemic by launching Online Experiences on its website. This allowed people to travel virtually, while it allowed hosts to earn something. Airbnb Experiences included activities like meditation with Buddhist monks, cooking with a Moroccan family, making coffee with a professional coffee taster, virtual bike tours and workouts with Olympic medalists, all achieved from the comfort of people's homes (Airbnb, 2020). Moreover, the company has revealed that it will emphasize long-term stays, as the demand for this has recently increased.

The future of work

Work from home trends have grown over the past years and with the outbreak of Covid19, companies realized that remote working is becoming the new normal, as it is shown by the prevailing forecast for the technology industry. Indeed, the shift to remote work shows no signs of going backwards and already 74% of CFOs have reported that they will request permanent remote work for some employees (Welson-Rossman, 2020).

BCG's Workplace of the Future survey revealed that most enterprises foresee their future workforce to be much more remote than ever before and that overall, companies expect approximately 40% of employees to be on remote working model in the future, while 37% of companies expect that more than 25% of employees will work in hybrid models that combine remote and office work (Elizabeth, Lovich, Bailey, Schuler, & Messenböck, 2020). The reason is that, in many companies, home working brought some clear benefits like an increase in productivity, higher employee retention and a reduction in the environmental impact. Furthermore, companies were forced to develop new technologies and policies, to learn best and efficient practices and to learn how to facilitate virtual connections. For this purpose, tools and collaborative tech like Slack, Zoom, Teams and Google Suites were used. As it turned out, according to a survey done on 1123 remote workers by The Times and Morning Consult, 86% were satisfied with work from home solutions as they felt less stressed, more able to take breaks and with more time to spend outdoors (Miller, 2020).

Another trend that emerged from the survey is that one out of three workers would move to a new city or to a new state while remote working, in order to be closer to family or to take the chance to live in a new culture temporarily. This trend was also noticed by Airbnb, whose customers used to travel mainly for vacation, but now many of them use the platform as a longer-term option to work from anywhere. According to Airbnb data, guests are now booking longer-term stays and prefer locations with access to nature and outside of urban areas (Airbnb, 2020).

Travelling nowadays has become difficult, therefore people prefer to stay longer in order to make it worthwhile and they look for cheaper, smaller cities and close to nature. Business travels will also change, and the hospitality economy will have to adapt to a new trend, where people travel less but stay longer (Dienst & Rosenbaum, 2020).

Several countries like Spain, Portugal, Germany, Mexico and many more, launched new visa programs for remote workers, in order to encourage them to spend an extended period of time in new destinations. This way they try to support local economies that have been affected due to closed borders and lockdowns, without stealing the job to residents (Hoeller & Humphries, 2020). For example, the Caribbean island of Aruba launched the special visa program “One Happy Workcation”, which was more of a tourism advertising and marketing campaign than a true work-remote visa grant, with special designated hotels that offer work-play packages (Fan, 2020).

The new segment

Human Hotel is considering tackling the new segment of enterprises, therefore a C2C segment will be increased with B2B segment. In particular, the company would offer curated home sharing for enterprises. The value proposition would include the following aspects: building company culture and reducing travel expenses.

The Human Hotel algorithm would match like-minded employees of an organization, comparing their profiles and values. Human Hotel would organize homestays but also online and offline local events and activities. This would help companies to retain their company culture, boost employee morale and productivity and attract new talents. Furthermore, travel expenses would be reduced and staying with co-workers would save up to 70% of costs compared to hotel stays. Finally, the Human Hotel project for enterprises would also meet sustainability, as home sharing saves more than 80% on CO₂-footprint compared to hotel stays. Human Hotel preferred target should be defined and they should decide whether to focus on creative enterprises only. The company would take the first steps into the Nordic market by making partnerships with several enterprises, then they would try to expand in Europe and

eventually worldwide. Their ultimate goal would be to become the leader partner for remote work stays for companies, value-driven NGO's and artistic or creative communities.

The next steps

After the 2018 brand refreshing, it is very important for Human Hotel to stick to its mission and values. Sixten is looking out of the window while considering the new opportunity, however some doubts arise. Would the new segment allow the company to be consistent with their brand identity and culture?

A decision has to be taken in the next board meeting of December 2020.

PART B: Teaching Note

Case summary

Human Hotel is a home sharing Danish platform created for artists and visionaries in 2016.

The idea originated from a group of artists called Wooloo who wanted to change the way home-sharing is usually perceived. In particular, the group has the aim of enhancing meaningful human meetings with like-minded people who can be inspired by one another. People can book their stays all around the world on Human Hotel website, where the profile of interesting hosts like painters, photographers, designers, and so on are visible. The company is currently characterized by a C2C business model, and, as the brand grew over the past years, the strategy evolved. In the first two years of activity Human Hotel was still a very small business and few people were aware of the existence of their niche service. A clear brand identity, strategy and mission were lacking. Therefore, in 2018 Human Hotel started a process of rebranding in order to increase brand awareness, brand loyalty, grow the community and boost bookings.

The 2018 plan seemed successful, however, with the advent of Covid19, Human Hotel business model started to be under threat. The travel and hospitality industry were hit by a severe crisis, as a consequence Human Hotel bookings and partnerships with events declined drastically. Therefore, the managers of the Danish home sharing platform needed a new plan for the future of their company. They noticed that remote working was the new trend for most companies. They saw an opportunity in the new segment of enterprises to expand their business and add a B2B model.

The present case is a basis for discussing whether and how Human Hotel should tackle the new segment in order to adapt to the Covid19 reality and continue the business also in the post-pandemic era.

Pedagogical objectives and intended use of the case study

The present case is intended to be used in graduate, Master, or executive classes. In particular, it could be presented primarily in a Marketing Management course and a Brand Management course, but also in Small Business Management and Entrepreneurship courses, in a class that highlights the Brand Strategy aspects of expansion. The aim of the case is to serve as a basis for a deeper analysis and discussion of the issues related to extending a brand into a new category, including aspects as issues of brand associations, credibility, identity, positioning and brand architecture. It is an example of how a brand can react and adapt to challenges coming from the external environment, survive and even improve in an uncertain future.

The case of Human Hotel delineates both the strategies and changes that have already been implemented by the company. Moreover, it provides the basis for discussion on what the company should do next in order to keep growing in the new era brought by the pandemic, but without cannibalizing its existing success. It is also important to consider how the existing customers will react to the new segment. Therefore, students can learn from the previous actions

and decisions of Human Hotel, and then discuss the future strategy based on the context and the information provided.

The analysis and discussion of the case study will enable students to touch the following key learning points:

1. Analyze the current Brand Strategy and Identity of a company
2. Discuss how a brand can react to threats from the external environment
3. Analyze how a brand can enter a new segment and what is the impact on brand equity
4. Discuss the issues of implementing a new brand strategy
5. Identify an appropriate strategy for future growth

Suggested questions for discussion:

1. What is the current Brand Strategy and Identity of Human Hotel?
2. Which challenges would Human Hotel be facing by entering a new segment?
3. Which business model should Human Hotel adopt?

Discussion

1. What is the current Brand Strategy and Identity of Human Hotel?

The 2018 Human Hotel rebranding process had as a main objective the creation of a clear brand identity. The brand was born in 2016, however, after two years of activity it was still not well known and bookings on the Human Hotel platform were low. Therefore, the company started a refreshing of the brand strategy, mission and visual identity.

Brand Strategy. The Brand Strategy was focused on the activity of growing the Human Hotel community. In particular, this was made possible by the new content of the booking platform where the mission, values and identity of Human Hotel attracted the targeted creatives and

artists. Brand awareness and loyalty was increased thanks to the ambassadors' strategy, partnerships with events worldwide and viral growth hacking.

Brand identity. The unique brand identity is what differentiated Human Hotel from its competitors, becoming a niche company for artists and visionaries. The goal of the rebranding process was to define a clear mission, culture and values in order to increase brand awareness and connect with users. The mission of the company is to humanize home sharing by matching like-minded people who are looking for meaningful experiences during their journeys.

Using Kapferer's brand identity prism (Lokmanoglu, 2020), it is possible to identify all the aspects of Human Hotel brand identity (Exhibit 12). Starting from the top part of the prism, the left facet is the Physique, which includes all the characteristics visually perceived by the customers. Human Hotel Physique is characterized by the logo, a dot and a line representing respectively the human and the connections. Then, a color palette with the different tones of white, pink, brown and black, representing all the shades of the human skin. Moreover, the visuals of the website are characterized by the pictures of creative hosts, their spaces, their stories and art works. The top right facet of the Kapferer's prism is the Personality, which includes what the brand says and how it says it. Human Hotel's personality is creative and passionate, and the tone of voice is confidential and inspiring. In the middle-left of the prism is the Relationship part, which represents the engagement between the brand and its customers. Human Hotel engages with its users through the website and social medias, where stories of hosts and guests are featured. Moreover, when users become part of the community, Human Hotel keeps a close and personal relationship with them. In the middle-right of the prism is the Culture, which includes the brand mission, its values and set of believes. Human Hotel mission is to maximize meaningful human meetings by matching like-hearted hosts and guests. The main values followed by the company are Idealism, Collectivity, Sustainability, Creativity and

Self-Development. Then, in the bottom-left facet of the brand identity prism is the Reflection, which represents the ideal customer for the brand. Human Hotel reflection is a creative middle-aged individual with a passion for arts and with a sense of community. The last facet of the prism, in the bottom-right part, is the Self-Image, which indicates how the customers visualize their ideal selves. In the case of Human Hotel, users see themselves as artists, visionaries and creatives which are part of a community that reflects their personality and values.

Visual Identity. The visual identity of Human Hotel needed a refreshing in order to follow the new Brand Strategy, in particular, the positioning, personality and values. Currently, the visuals reflect the human-side of the brand, highlighting the creative and passionate personality. As already mentioned, the logo reflects the Human and its connections. The website contents and design present a color palette that remind of all humankind skin. Stories about human meetings that happen thanks to Human Hotel are shown in the website and social media pages, as well as features of the artworks and projects of the brand's guests and hosts.

2. Which challenges would Human Hotel be facing by entering a new segment?

After the 2018 rebranding, Human Hotel strategy and identity were well defined and were leading to successful results both in terms of profits, community growth and customer loyalty. However, with the advent of Covid19 and the drastic decline in travel bookings, a new way of doing business was needed. By entering a new segment, Human Hotel has to make sure that its newly defined mission and identity are not damaged and affected.

Brand Associations. Human Hotel is a brand that presents associations like travelling, artists, creatives, connections, humans, events, exhibitions and more (Exhibit 13). Therefore, when tackling the new segment of enterprises, they have to make sure that the existing associations allow them to stretch into it credibly. Moreover, it is also crucial to analyze how the existing customers would react to the new segment: would they approve it, or would they be feeling less

part of a niche community? Indeed, by entering the companies' segment, brand associations could be different as enterprises might seem non-human centric at first sight, cold and money driven. This could be misunderstood by existing customers. Therefore, Human Hotel should leverage the existing positive associations of its customers, mainly the ones that could emerge from both segments: the meaningful meetings, the connections, the social impact and the personal and professional network that would result from travelling with Human Hotel.

Positioning. Addressing the impact on the company's brand associations would be a key action to decide also how to position the new offering. With the current positioning Human Hotel is a niche brand defined as a home-sharing platform for creatives, artists and activists who travel with the purpose of making meaningful meetings. On the one hand, a possibility would be to expand the brand positioning. Being a niche brand, Human Hotel would not be applicable to a wide range of enterprises. Therefore, if the company wanted to propose its new offering to all kinds of enterprises, then it would need to change its positioning to target all enterprises. This would result in a bigger customer base; however, Human Hotel would incur the risk of being less differentiated from the market players and therefore it would lose its competitive advantage. Moreover, the brand identity, which was centered around the idea of a community of creatives, artists and visionaries, would be obfuscated and vague with a new target that does not necessarily relate to the current one. On the other hand, Human Hotel could change its current positioning by focusing on enterprises that have a creative and artistic background, NGOs and companies that share similar values like sustainability and strong corporate social responsibility. The company could target companies like the ones they partnered with during events and exhibitions. This way the brand's decision to tackle the new segment would have a stronger credibility for both the existing and new customers. Therefore, a possible new positioning statement would be the following one: "A home-sharing platform for creatives, artists and activists who travel with the purpose of making meaningful meetings and for creative

enterprises that want to build their own home-sharing community and give teams a new way to travel”.

Brand Architecture. Another important decision for the managers of Human Hotel would be to decide which type of brand architecture to choose. There are three types of brand architecture: the Branded House, the House of brands and the Endorsed or Hybrid (Randle, 2019). Under the Branded House structure, brand extensions are visually linked to the master brand that is always present. With this type of structure, Human Hotel could have a brand extension called, for example, Human Hotel Enterprises. On the contrary, under the House of brands structure, brand extensions are independent from the master brand and are free to create their own identity. This structure would not fit the case of Human Hotel, as their mission and identity should remain unchanged for the new segment. Using the third structure, the endorsed brand architecture, Human Hotel could develop an independent strategy for the brand extension, which would be visibly associated to the master brand. The third option would be a flexible solution to keep Human Hotel identity and mission, but also to manage a new strategy for the enterprise segment.

Product Portfolio. A challenge that Human Hotel would face if it decided to enter the new segment would be having a more complex product portfolio. It is crucial to address clear Portfolio Management Strategy and understand how both segments can co-exist and adjust the strategy accordingly. Since a single strategy for both would not be enough, it is important to develop a new specific strategy for the enterprise segment, keeping the fundamental values and mission unchanged.

Communication. Human Hotel needs to consider how to communicate the new offering. It should address whether it is better to keep it in the same website or to develop a new platform just for enterprises. Developing another platform could be expensive and time consuming, but

it could help keeping the existing offer unchanged while developing the new one in a separate platform. However, this option would probably be too confusing for customers and the identity of Human Hotel would be split in two. Since it is important that the identity and mission remain consistent for both segments, the brand could keep everything on the same platform and dedicate a section of the website just for enterprises.

Future Uncertainty. Remote working seems the new normal way of working. However, Human Hotel needs to analyze whether the new business model would still be appealing with the arrival of the Covid19 vaccine. It is uncertain whether companies will still choose remote working for their employees. The brand-new segment might have to be adapted again to a changing reality. It is therefore important to have a wider vision and to create a service that will meet customer needs even after the pandemic and that does not focus on the current situation only. For example, Human Hotel could develop a service that creates selected online and offline experiences and activities for companies. These activities could be included in a private home-sharing community created for companies. This might be an original way to strengthen the company's culture and create a travel network, even after the pandemic.

3. Which business model should Human Hotel adopt?

So far, Human Hotel has been using a C2C model, meaning that consumers (the hosts) share their goods, in this case their houses, with other consumers (the guests) through an online platform. However, with the new segments of enterprises the business model would be different. One of the determinant factors to consider would be the type of target: Enterprises, individual workers, or both?

Creative Enterprises. As explained before, choosing creative companies would help Human Hotel strengthen its credibility in entering the new segment. This would show that the company

has experience in dealing with those enterprises and knows how to manage the segment. Choosing companies with a more standard background would also mean that Human Hotel would have to adapt its offer accordingly, change its positioning and marketing mix. Considering all the above issues, it is reasonable to assume that Human Hotel would focus on creative enterprises only.

Individual Workers. Another possibility for Human Hotel would be to target individual remote workers who choose to spend their remote working time in new places. With Human Hotel, they could be matched to and be hosted by other remote workers in their chosen destination. This would result in the creation of a community for remote workers united by the need of living new experiences in new destinations while working.

The B2B model that would result from the choice of entering the new segment could be an hybrid model. It could be a C2C model for individual workers, but also a B2B model for companies and events.

What did actually happen?

In December 2020 Human Hotel managers decided to enter the new segment, choosing creative enterprises as the main target. Their objective is to reach creative Nordic enterprises first, and then expand to the rest of Europe in the next future.

In mid-December 2020, a new section dedicated to companies was added to the website (Exhibit 14). The new website section explains what companies can do through the Human Hotel platform. The platform presents many elements (Exhibit 15), and currently, the main feature is to create a private home sharing network for companies. In particular, Human Hotel will manage these platforms for companies, giving them the possibility to change the labels with their logo and brand visuals. The home sharing online community for companies will be completely private and users will be required to sign up with their company email in order to

log in. Companies will be able to set an average maximum and minimum fee that employees, who signed up as hosts, could charge.

Human Hotel will then supervise the Meaningful Meetings, which are a collection of designed experiences and activities for companies to share with employees and between colleagues (Exhibit 16). These activities will help colleagues to connect on a deeper level and therefore help companies to boost their culture even with remote working. These activities will be both online and offline. Human Hotel Meaningful Meetings have the aim to make the working environment a more friendly and empathic place to work in.

Human Hotel studied a methodology through which the curated Meaningful Meetings will induce empathy and inspiration among the participants. A high Empathy Quotient (EQ) is critical to successful workplaces as it can lead to great benefits both at individual and enterprise level: interpersonal relationships improve, teams become more effective and functional. Indeed, research shows that most successful companies present a high EQ among employees.

In the next months, Human Hotel will add new features for its new segment, keeping the importance of Human Meetings as the core element.

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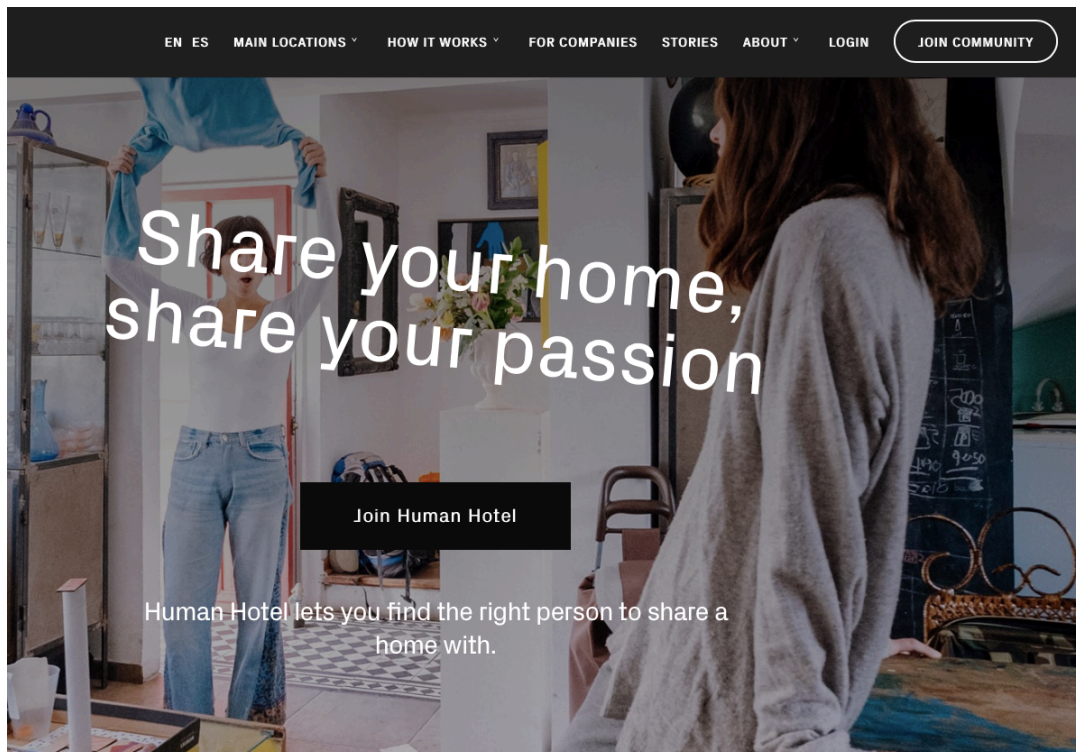
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Part D: Exhibits

Exhibit 1: Human Hotel Official Website



How it works

01

Book

a host whose space, profile and character you like

02

Match

with fellow members to meet during your trip

03

Enjoy

your curated travel experience in our community

We're Humans, Not Hotels

After years of experimental social matching in the art world, we launched Human Hotel to make a difference in the real world.

Travel should enrich guests, hosts, and local communities – not hotel corporations and private landlords.

[Read more](#)

« My first stay with Human Hotel was in NYC and I have just recently extended my second stay in Berlin because I'm finding the experience is so enriching. »

GABRIELLE S. US-BASED ARTIST & CURATOR

Stay with inspiring hosts



Sidsel — Visual Artist & Filmmaker

Copenhagen, DK — \$78/night
Private Room – 1 bed – 2 guests



Mads — Media Director & Producer

Copenhagen, DK — \$78/night
Private Room – 1 bed – 2 guests

Source: Human Hotel website

Exhibit 2: Stories of Human Hotel hosts and guests

Community Features



“Abandoned Germany” — A photo essay on German ghost-towns by Berlin host Antonio

Jul 1, 2020 | Feature, Host Stories, Technology

At first I thought I was lost; the city I was in was not on my plans, nor in my traveling map, however I decided to embrace it, if my bike had brought me here there was nothing I could do but enjoy it.

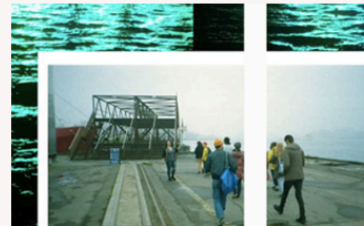


From Tokyo to Lisbon and back: A host’s discovery of her guest’s culture

Jun 23, 2020 | Feature, Host Stories

Saara hosted Aki from Tokyo; he stayed at her place in Lisbon through Human Hotel in the summer of 2018.

Although he only stayed for a few nights and was busy exploring the city, she instantly felt like they had a nice connection and lot of shared interests.



Recycled technology in Copenhagen’s most untamed neighbourhood

Jun 15, 2020 | Feature, Host Stories, Technology

“In this time of physical distancing and social closure, I found myself diving into the electronic trash container”.

Source: Human Hotel website

Exhibit 3: Two Influencers that stayed with Human Hotel and posted their feedback to their 200K followers



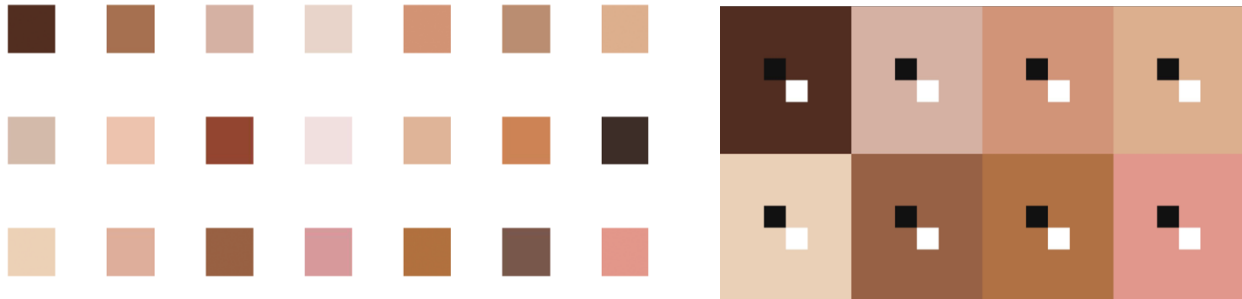
Source: Human Hotel Instagram Page

Exhibit 4: The old (left) and the new logo (right)



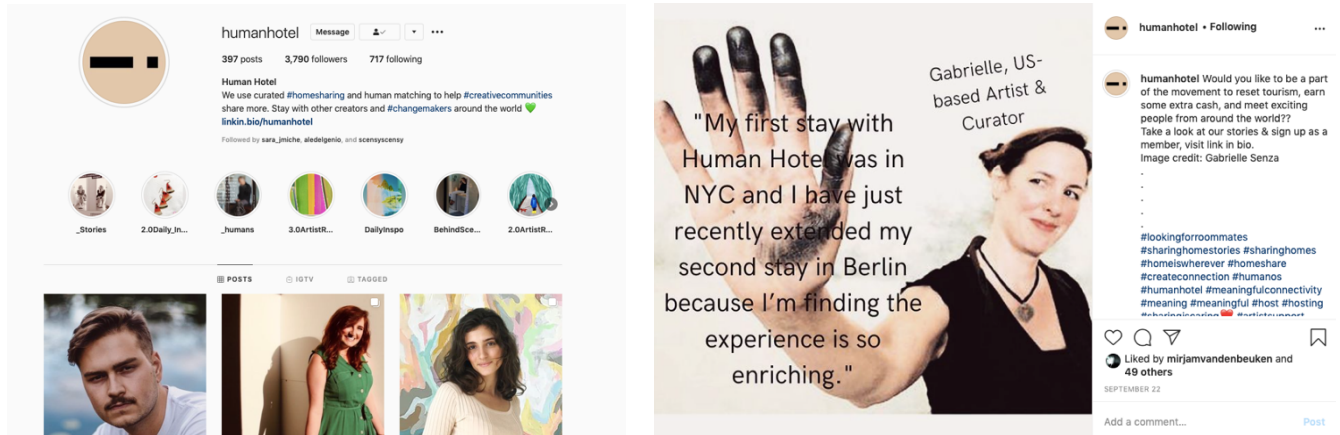
Source: Human Hotel archives

Exhibit 5: Human Hotel color palette



Source: Human Hotel archive

Exhibit 6: Human Hotel Instagram Page



Source: Human Hotel Instagram Page

Exhibit 7: Gross Merchandise Value Definition

Metric	Definition
Gross Merchandise Value	Gross merchandise value (GMV) is the total value of goods or services sold over a given period of time through a customer-to-customer (C2C) exchange site. It is a measure of the growth of the business. In the case of Human Hotel, GMV refers to the total value of transactions through Human Hotel platform.

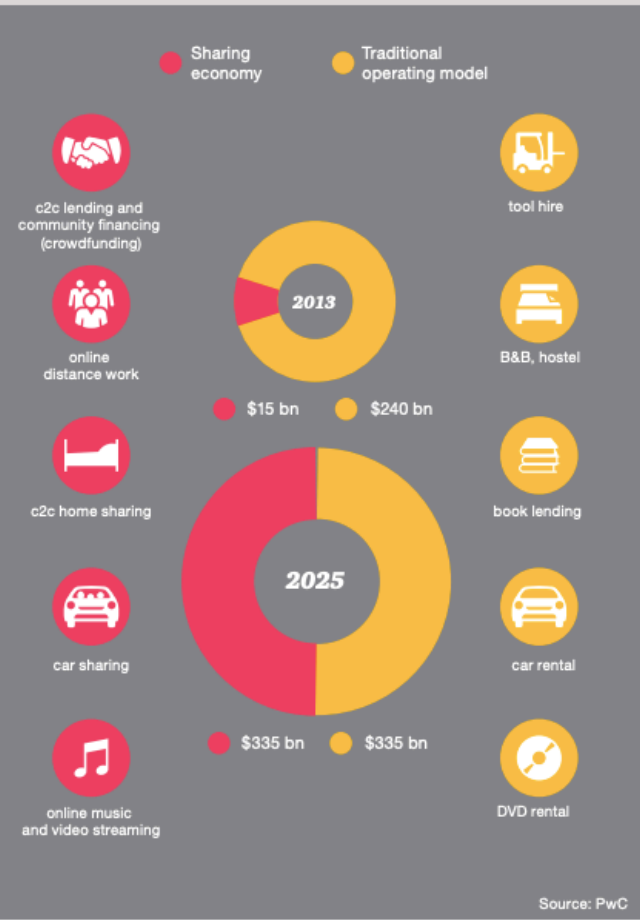
Source: Investopedia, <https://www.investopedia.com/terms/g/gross-merchandise-value.asp>

Exhibit 8: Human Hotel users' feedback

Individual	Feedback
Stephan, Creative-Modern in Brooklyn, NY. UX Designer	<i>"Human Hotel got to be the laziest, nicest way to meet like hearted creatives. I am amazed by the quality experience."</i>
Lyuda, Artist-Experimental. Contemporary artist in Moscow	<i>"When I feel stuck, I sometimes think of my next Human Hotel guest. They always tend to pop me out of my daily routines. We share our thoughts over a late night drink or tea at a random hour."</i>
Fernanda, Activist in Santiago.	<i>"I only host changemakers traveling with a strong purpose. Those I like to support and meet."</i>

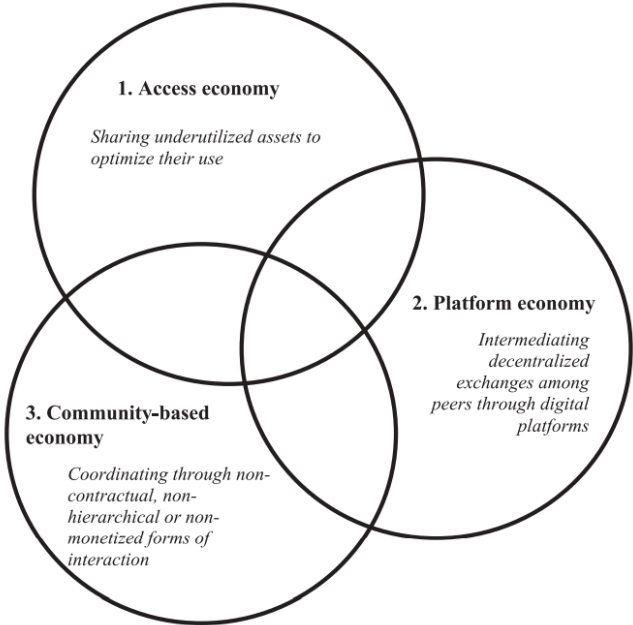
Source: Human Hotel archive

Exhibit 9: Growth forecast of the sharing economy



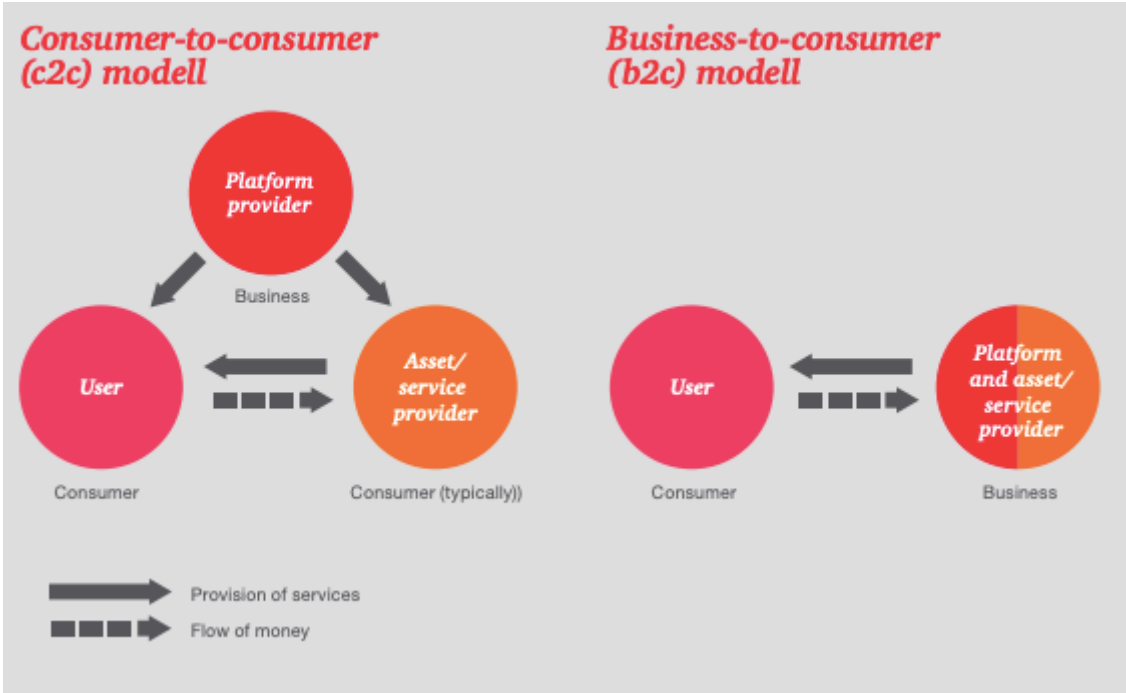
Source: PWC, 2015

Exhibit 10: The Sharing Economy’s fundamental cores



Source: Acquier, 2017

Exhibit 11: Business Models in the Sharing Economy



Source: PWC, 2015

Exhibit 12: Kapferer's Brand Identity Prism, Human Hotel

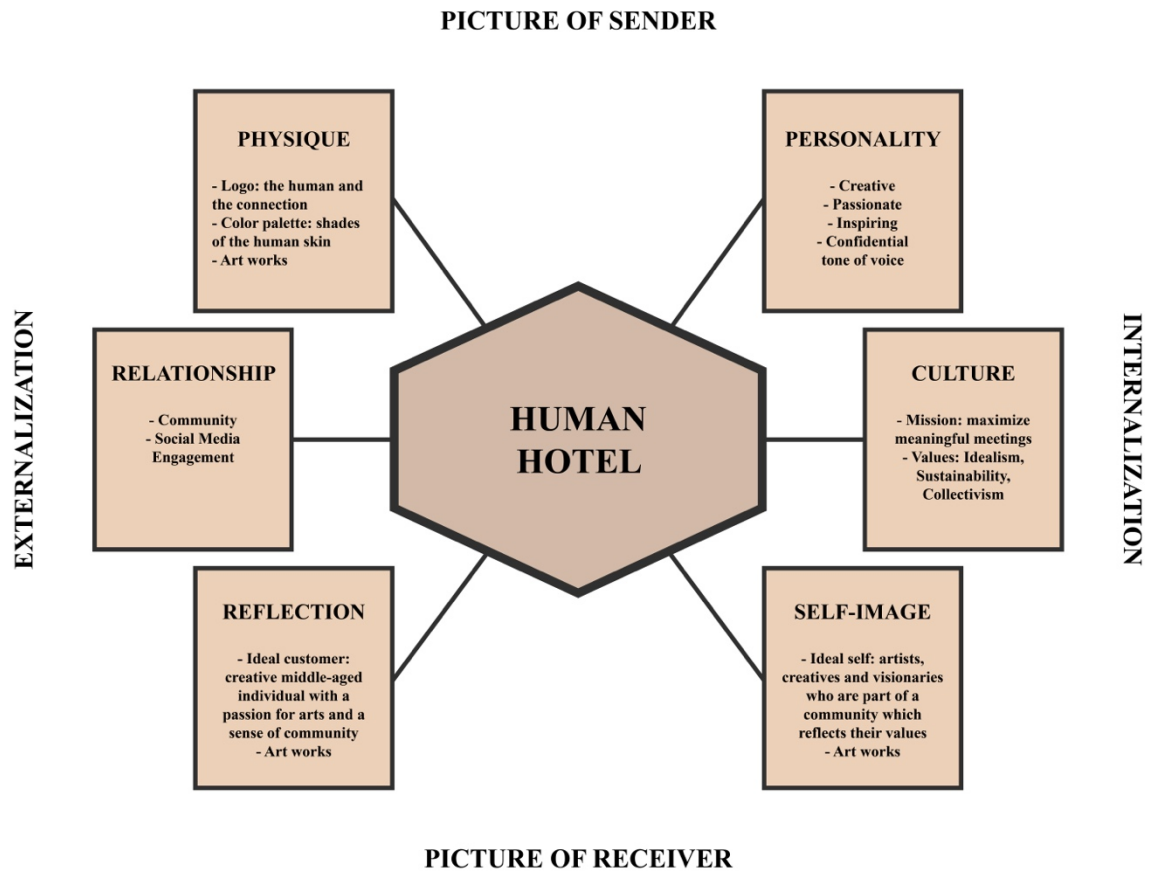


Exhibit 13: Human Hotel Brand Associations

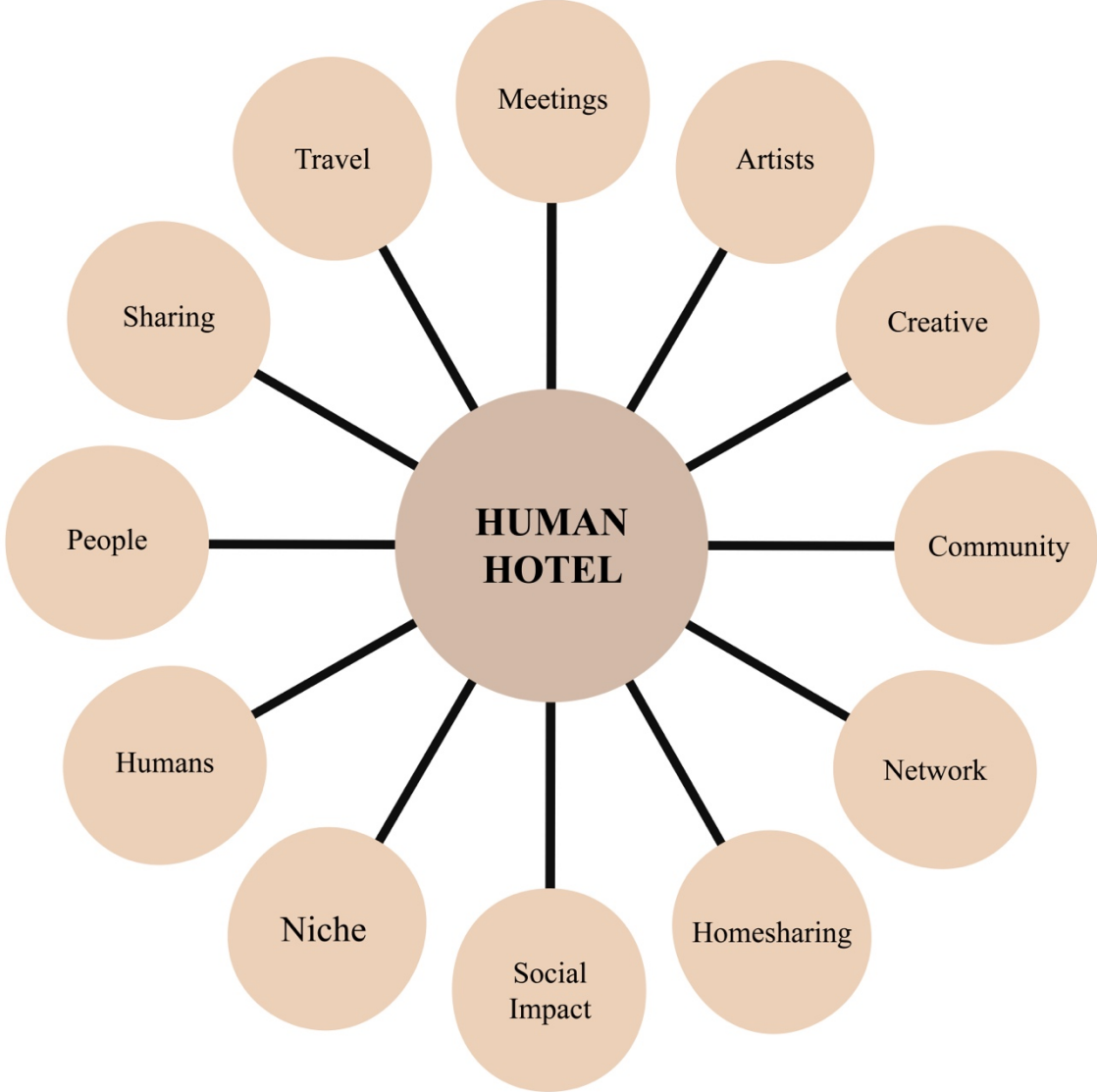
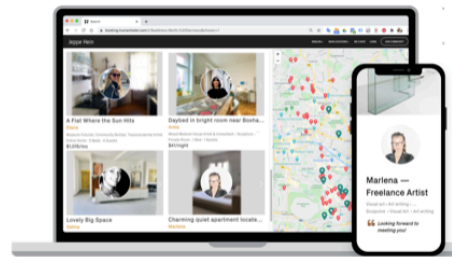


Exhibit 14: New Website Section for Companies

Homesharing Network

A unique and fun network for your employees to connect and stay in while traveling inbound to Copenhagen.



Curated Homes & Hosts

We help build, photograph and onboard your host network filled with rich human profiles to ensure adoption and excitement of your company homesharing network.

Meaningful Meetings

Our Meaningful Meetings are a collection of designed experiences that aim to induce empathy, spark inspiration and create new meaningful connections between you and your colleagues during their company trips.

Each meeting is optimized to learn and adapt to all personality types.



Source: Human Hotel Website

Exhibit 15: Human Hotel for Companies, Platform Essentials

Platform Essentials

Whitelabel Branding

In order to stick to your company's brand, your platform will be hosted on a dedicated company subdomain with options to add your logo, cover photos, color styles and more.

Private Network

Your homesharing community is an entirely private online network for your company to use. Your users are required to sign up with their company email to access it.

Fair Pricing

So you can save on T&E costs, you can set min. & max. price limits for how much your hosts can set their nightly fee too. This acts as a type of rent control in order to keep fair prices.

Member Profiling

Every member in your network has a profile page complete with their bio, personal interests, and photos/videos of their favorite projects. All content is available for you to use as employee branding.

Dynamic Search

Members can search your host network by standard parameters such as location, accom. types, interest keywords, long-term stays (per month) and more.

Bookings & Payments

When booking, you'll receive standard functions like sms & email notifications, receipts, host reviews as well as payment functions for major credit cards like Visa, Amex and Mastercard.

Hosting Guests

Our platform offers hosts plenty of options such as availability calendars, nightly fee settings, monthly & weekly discounts, cancellation policy options, guest reviews and direct bank account payouts.

Identity Verifications

We take ID verification seriously and therefore include standard email & phone verification along with facebook accounts, gmail accounts and Government ID verification.

Custom Field Titles

You can edit and customize form field titles in order to suit your branded text copy and commonly-used terminology.

Mobile Friendly

Your whitelabel solution comes with a built-in responsive design so it's already mobile-friendly.

Translated Site

Our website is currently available in 2 different languages (English & Spanish) and is ready to be translated into more languages.

Export Data

You can access all of your data by exporting the tables into a .csv file for you to use and report on.

Source: Human Hotel Website

Exhibit 16: Human Hotel Meaningful Meetings

What is a Meaningful Meeting?

You've had many meaningful meetings in your life; you know them when they happen. When you understand another person's perspective and they understand yours. When you share a moment with someone together as 'we' not as 'you' and 'me'.

Our approach to Meaningful Meetings is to give you the tools and the opportunity to share more of these moments with your colleagues.



Connect on a deeper level

Our Meaningful Meetings are a collection of designed experiences for you to share with a colleague over 45 minutes. We'll help you to connect on a deeper level, whilst only taking a little time out of your day.

Frameworks designed for you

Based on you sharing deeper insights with one another, we design frameworks for your meeting. This is a safe space where you can be open and inspire each other through carefully selected activities.



Work is better when we're social

As well as making your working environment a friendlier, more empathic place to be, we believe that forming deeper connections with more people in our lives can be transformative. That's our aim with Meaningful Meetings.

Source: Human Hotel Website