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Management from the Nova School of Business and Economics

HOW TO ACHIEVE A BREAKTHROUGH WITH PESTANA COLLECTION HOTELS -
DEVELOPING THE COMMUNICATIONS PLAN FOR PESTANA COLLECTIONS HOTELS

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ABSTRACT

This thesis examines the competitive positioning of Pestana Collection Hotels, analyzing market trends, consumer behavior, and strategic challenges. It explores brand perception, customer decision factors, and industry dynamics, offering insights into Pestana's differentiation strategies. Findings highlight opportunities for growth, innovation, and customer engagement in the evolving luxury hospitality landscape. This report develops a strategic communications plan to enhance Pestana Collection Hotels' brand awareness and market positioning. It outlines a multi-channel approach leveraging digital marketing, social media, and influencer collaborations to engage affluent travellers. Key objectives include strengthening brand recall, fostering customer loyalty, and reinforcing PCH's luxury and exclusivity.

Keywords: Brand Growth, Communication Strategy, Hospitality Industry, Luxury Marketing, Marketing Plan, Marketing Strategy, Pestana Collection Hotels

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Table of Contents

CHAPTER 1 – ABBREVIATIONS	5
CHAPTER 2 – INTRODUCTION	6
2.1. The Challenge	6
2.2. Relevance of the study	7
CHAPTER 3 – HOSPITALITY INDUSTRY OVERVIEW	7
3.1. The Hospitality Industry.....	7
3.2. Tourism Contribution.....	8
3.3. Economic Impact.....	9
CHAPTER 4 – PESTANA COLLECTION HOTELS	10
4.1. History of Pestana Hotel Group	10
4.2. Overview of Pestana Collection Hotels	11
4.3. Five Cs Analysis.....	14
4.4. SWOT.....	25
CHAPTER 5 - MARKETING RESEARCH DESIGN.....	26
5.1. Primary research.....	26
5.2. Qualitative research.....	27
5.3. Quantitative Research	31
5.4. Data Analysis	32
CHAPTER 6 – MARKETING STRATEGY: ACHIEVING A BREAKTHROUGH FOR PCH.....	39

6.1. STP analysis	39
6.2. Marketing Mix.....	47
CHAPTER 7 - COMMUNICATIONS PLAN.....	59
7.1. Marketing Objectives	59
7.2. Campaign Objectives	60
7.3. Creative Strategy “Step Into a Different World”	61
7.4. Integrated Communications Strategy	62
7.5. Media Strategy	63
7.6. Promotion budget and implementation	66
7.7. Campaign Tracking.....	67
CHAPTER 8 – FINANCIALS.....	69
8.1. Assumptions made	69
8.2. Scenario & Contingency Plan	71
CHAPTER 9 - CONCLUSION.....	73
CHAPTER 10 - MARKETING OBJECTIVES.....	74
CHAPTER 11 - TARGET AUDIENCE	74
CHAPTER 12 - ACTION OBJECTIVES.....	76
CHAPTER 13 - COMMUNICATION OBJECTIVES.....	77
CHAPTER 14 - POSITIONING STATEMENT	78
CHAPTER 15 - CREATIVE STRATEGY “STEP INTO A DIFFERENT WORLD”	78

CHAPTER 16 - INTEGRATED COMMUNICATIONS STRATEGY79

CHAPTER 17 - MEDIA STRATEGY80

CHAPTER 18 - PROMOTION BUDGET AND IMPLEMENTATION81

CHAPTER 19 - CAMPAIGN TRACKING81

CHAPTER 20 - REFERENCES83

CHAPTER 21 – APPENDIX90

Figure Index

Figure 1- PCHs Positioning Maps43

Figure 2- PCH Points of Difference43

Figure 3- PCH Brand Identity48

Figure 1- PCHs Positioning Maps 144

Table Index

Table 1- PCH SWOT Analysis25

CHAPTER 1 – ABBREVIATIONS

ADR: Average daily rate

PGC: Pestana Guest Club

BSM: Behavioural Sequence Model

PHG: Pestana Hotel Group

CPM: Cost per Mille

POD: Point of Difference

CTR: Click Through Rate

POP: Point of Parity

F&B: Food and Beverage

RevPAR: Revenue Per Available Room

FBSs: Favourable Brand Switchers

ROI: Return On Investment

KPIs: Key Performance Indicators

SOP: Standard Operating Procedures

LHW: Leading Hotels of the World

VAT: Value-added tax

MICE: Meetings, incentives, conferences & exhibitions

UGC: User Generated Content

OBLs: Other Brand Loyals

OBSs: Other Brand Switchers

OOH: Out of Home

OTAs: Online Travel Agencies

PCH: Pestana Collection Hotels

CHAPTER 2 – INTRODUCTION

This study is based on a corporate challenge developed for Pestana Collection Hotels (PCH) in collaboration with NOVA School of Business and Economics. The present project focuses on identifying strategies to achieve breakthrough growth for Pestana Collection Hotels within the upper-upscale¹ hospitality industry.

2.1. The Challenge

Pestana Collection Hotels, as part of the Pestana Hotel Group, is known for providing a unique blend of luxury accommodations that emphasize cultural heritage and local authenticity across prime locations in Portugal (Lisbon, Cascais; Porto), Spain (Madrid), and The Netherlands (Amsterdam). Nonetheless, PCH faces the challenge of expanding its reach within the highly contested upper-upscale market due to the extremely competitive hospitality industry nowadays.

This study dives primarily into Portugal's hospitality industry, however, our research was followed by visits to key Pestana Collection Hotels locations in both countries to analyse the local market and gather firsthand insights.

In this context, our study addresses the challenge of elevating the PCH brand visibility and recognition by developing innovative marketing strategies that will drive business growth and attract new customers, while maintaining the brand's commitment to cultural heritage and luxury.

¹ Hotels can be classified in a Chain Scale category which divides hotels into six tiers based on the hotel's average daily room rate: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy, and Independent. **Upper Upscale Hotel** is a brand of First-Class Hotels categorized by the Rating Service as being "upper upscale". These hotels usually offer an extensive list of guest services and amenities such as on-site restaurants, banquet and meeting rooms, concierge service, spas, gyms, and retail shops (Full-Service) – Source: Smith Travel Research

This research will analyze current market conditions, customer segments, and industry trends to provide strategic recommendations that meet this challenge.

2.2. Relevance of the study

This study is relevant for Pestana Collection Hotels as well as for the upper-upscale hospitality sector. First, in an increasingly competitive industry, the ability to develop innovative marketing strategies is essential for attracting new guests, retaining loyal customers, and enhancing brand visibility, as well as ensuring long-term success. Second, as customer expectations evolve at a fast pace, hotels must continuously adapt and elevate their service offerings to create memorable and differentiated experiences that resonate with demanding travelers.

By addressing these areas, this study provides valuable insights and recommendations that support Pestana Collection Hotels in achieving sustainable growth and building a stronger presence in the upper-upscale hospitality industry.

CHAPTER 3 – HOSPITALITY INDUSTRY OVERVIEW

3.1. The Hospitality Industry

The global hospitality industry, a significant contributor to the tourism sector, includes a wide range of activities such as accommodation, food services, and recreation. The industry plays a pivotal role in the global economy, generating employment opportunities and fostering economic growth (World Travel & Tourism Council 2024). However, the industry is confronted with a number of challenges, including the impact of the global pandemic, shifts in consumer preferences towards wellness and sustainability, intense competition, and labour shortages. In the current market, consumers are seeking experiences that are unique, personalized, and eco-friendly, particularly in luxury and boutique hotels (Les Roches 2024). The issue of labor shortages is of particular concern,

particularly in instances where skilled professionals are confronted with challenging working conditions and low remuneration (Statista 2024). Nonetheless, there are prospects for expansion in the utilization of technology to enrich guest experiences and the formation of strategic alliances to cultivate loyalty. In 2023, the demand for leisure and business stays resulted in record-high revenue per available room in the \$700 billion industry, driven by structural factors such as travel demand, population growth, and the expansion of the middle class in emerging markets (IHG Hotels & Resorts 2023).

3.2. Tourism Contribution

Many countries, including Portugal, rely heavily on tourism to drive their economies. By 2023, the tourism industry had contributed 52 billion euros to Portugal's GDP, 19.5% above the 2019 peak, representing 19.6% of Portugal's total economic output. The forecast for 2024 indicates a further increase to 58.2 billion US dollars, surpassing the levels reached in 2019. Three primary factors contribute to this consistent growth trajectory: rising demand, stronger marketing efforts, and a strategic emphasis on high-quality services and experiences (World Travel & Tourism Council 2024).

Graph 1 in *Appendix A* illustrates the contribution of tourism to Portugal's gross domestic product from 2019 to 2024. The data demonstrate a recovery and growth in the tourism sector, with a notable increase from 2020 to 2023. By 2023, the contribution of tourism to gross domestic product had reached 56 billion U.S. dollars, which approached the level recorded in 2019 prior to the pandemic. The forecast for 2024 indicates a further increase, which serves to demonstrate the resilience of the Portuguese tourism industry and its potential for continued growth.

3.3. Economic Impact

Tourism has a significant economic influence in Portugal, contributing significantly to the country's GDP and creating jobs. Inbound tourism spending has recovered significantly, with sustained growth in foreign visitor expenditure expected to reach approximately €30 billion by 2023. This is the highest point in almost a decade and indicates a considerable revival in the tourism industry. This record-breaking figure demonstrates Portugal's ongoing appeal as a top tourist destination, as well as the tourism sector's resilience in dealing with the pandemic (World Travel & Tourism Council 2024). Graph 2 in section A of the annexes related to inbound tourism spending from 2010 to 2023, serves to illustrate this robust rebound. The peak in 2023 serves to illustrate Portugal's potential as a key destination in the global tourism landscape, thereby positioning the country for continued growth.

Moreover, Graph 3 in section A of the annexes demonstrates an upward trajectory in the number of international visitors staying in Portuguese lodging establishments from 2019 to 2023. Following a sharp decline in 2020, the data demonstrate a robust recovery, with 2023 levels exceeding those observed prior to the pandemic. This recovery indicates a favourable outlook for the sector, with an increase in foreign interest driving growth.

This economic impact highlights the importance of continued investment in the tourism and hospitality industries, as well as attempts to address issues such as labor shortages, sustainability, and rising consumer expectations. The creation of a distinct brand identity, ongoing investment in sustainability, and the exploitation of the upper upscale market segment will be critical in maintaining Portugal's reputation as a top tourism destination (Les Roches 2024).

CHAPTER 4 – PESTANA COLLECTION HOTELS

4.1. History of Pestana Hotel Group

The Pestana Hotel Group (PHG) was founded by José Pestana and his brother Manuel Pestana, upon the acquisition of the small “Atlântico Hotel” in 1966 in Madeira Island, aiming to fulfill his ambition of investing in a hotel in his home region. In 1969, a new five-star hotel construction began, and a few years later, in 1972 the first and new Pestana hotel was built in its place – The Pestana Carlton Madeira (Pestana Group 2023).

Over time, the company has expanded beyond Madeira and established itself internationally. Following a successful path of five decades, the Pestana Hotel Group has diversified its portfolio, incorporating a range of hospitality-related and real estate projects, including hotels, vacation clubs, golf courses, and casinos. It is currently present in the European, American, and African continents, with more than 100 hotels, managing more than 12000 rooms under direct management, and being the largest multinational group of Portuguese origin in the tourism industry. In its main business of hospitality, PHG manages four brands: Pestana Hotels & Resorts, Pestana Collection Hotels, Pestana Pousadas de Portugal, and Pestana CR7 Lifestyle Hotels (Pestana Group 2017).

The group is driven by its commitment to providing high-quality service, combining traditional Portuguese heritage with contemporary tourism trends, and is currently chaired by Dionísio Pestana, the founder's son, remaining a family-run business with a strong commitment to customer satisfaction and operational excellence. Therefore, this “top-class leading leisure group” (PHG Vision) has always been committed to “providing great experiences for many people at their hotels, vacation clubs, holiday homes, golf, and gaming” (PHG Mission) in a “collaborative, Passionate, Efficient, Conscious and Agile” way (PHG Values).

4.2. Overview of Pestana Collection Hotels

Pestana Collection Hotels stands as the upper-upscale brand within the Pestana portfolio, crafted for guests who seek a blend of heritage, luxury, and cultural immersion. Each Collection property reflects the unique character and history of its location, combining architectural beauty with cultural significance to offer a truly distinctive experience (Pestana Group 2017)

This vision began to take shape in 2001 when Pestana Hotel Group inaugurated its flagship hotel in Lisbon, the Pestana Palace Lisboa – Hotel & National Monument (Pestana Group 2017). This iconic property became the first in the Pestana Collection, setting a high standard for the group’s luxury offerings by seamlessly blending historic grandeur with exceptional hospitality. This milestone established the blueprint for the Collection's future growth both in Portugal and internationally.

Followed by the rebranding of “Pousadas de Portugal” and “Pestana Collection Hotels” in 2015, the Collection expanded its portfolio with notable additions. In 2009, Pestana Palácio do Freixo opened in Porto (Expresso 2009), originally part of the “Pousadas de Portugal” brand. This property was further integrated into the Collection, enhancing the brand’s presence in Portugal with a showcase of Portuguese architecture and cultural heritage. By 2012, the group welcomed “Pousada Cascais” (Público 2012) which has also been later integrated into the Collection and is currently known as “Pestana Cidadela Cascais” – a unique property housed within a historic fortress in Cascais, offering guests a blend of luxury and historical charm.

In the same year of the rebranding strategy (2015), Pestana also introduced the “new and grown” “Pestana Vintage Porto” (Simões and Volta ao Mundo 2015). Evolving from the original “Pestana Carlton Porto”, established in the mid-2000s (Soares 2023), the property expanded to encompass six neighboring buildings in Porto’s Ribeira district, solidifying its place as a landmark in the area.

Nowadays, its construction already covers 18 buildings, and it keeps ambitions to continue to expand for the next years.

Moreover, the brand took its first step toward international expansion in 2018 with the opening of “Pestana Amsterdam Riverside”, in January. That same year, Pestana also extended its reach in Porto with “Pestana Porto – A Brasileira” (Pestana Group 2017), located near the iconic Sá da Bandeira Theater.

Finally, in 2019, Pestana celebrated a significant milestone with the inauguration of “Pestana Plaza Mayor” in Madrid, marking the group’s first hotel in the Spanish capital. This expansion reinforced the brand’s commitment to growth in key European markets, strengthening Pestana Collection Hotels’ reputation as an upper-upscale brand deeply rooted in cultural heritage and distinguished locations (Pestana Group 2017).

4.2.1. Marketing practices at Pestana Collection Hotels

PCH primarily communicates as a unified brand, ensuring a cohesive message that aligns with its luxury and heritage-driven identity. However, targeted campaigns are occasionally developed for individual hotels when specific objectives are underperforming. For example, by leveraging data from guest interactions, PCH can develop personalized marketing strategies, focused on individual preferences and expectations (per hotel and customer) to segment differential offers, that differ from other Pestana and have a higher cost.

The investment in digital marketing also plays an important role and is also at the core of Pestana Collection Hotels’ strategy. It currently leverages digital channels and strategies, such as *Google Ads*, mainly Search, display, and YouTube campaigns to drive visibility and engagement; *Meta Ads* (that is Facebook and Instagram ads), *TikTok and Bing Ads*, aiming to support targeted

audience outreach; *Metasearch Ads* in platforms like TripAdvisor to enhance direct booking opportunities; and finally their *SEO* (search engine optimization) that helps driving organic traffic to Pestana's website.

According to Pestana Group (2024), Google Ads, particularly paid search, has proven to be the most effective channel for driving traffic and conversions and their social media efforts have seen a significant improvement, with a growing focus on user-generated content (UGC). Concerning partnerships, the brand does not have a formal partnership and collaboration strategy, however, it uses some celebrities or influencers, occasionally and in the case of trade-ins, to create more awareness for the brand and hotels and enhance engagement and visibility. On the opposite side, print media investment is minimal.

Additionally, some PCHs like "Pestana Palace Lisboa" and "Pestana Palácio do Freixo", benefit from their association with The Leading Hotels of the World (LHW), which automatically enhances their visibility and trustworthiness within the upper-upscale market and reinforces their status as premium hospitality properties.

Most marketing activities, including digital advertising and social media management, are handled in-house. However, the group also collaborates with a creative agency "FUEL" for large-scale campaigns and brand social media strategies.

Finally, to measure the effectiveness of these initiatives, PHG currently uses a variety of metrics, which include Key Performance Indicators (KPIs), such as Occupancy rates, average daily rate (ADR), revenue per available room (RevPAR), and ROI (return on investment), their Website Performance (traffic volume, conversion rates), Social Media Metrics that evaluate organic and paid performance in gauging engagement and reach; Campaign Performance of the digital and

email marketing initiatives and ReviewPro, assessing Guest Reviews feedback from internal surveys and platforms like TripAdvisor, Booking.com, and Google.

4.3. Five Cs Analysis

4.3.1. Customers

The Pestana Hotel Group serves a diverse customer base across its various business areas, including hospitality, residences, golf, vacation clubs, and casinos. Each sector caters to unique customer segments while sharing a common focus on delivering quality service and experiences tailored to different needs.

These customers include both international and domestic travelers and investors, with varying preferences and priorities depending on the specific sector they engage with. It includes **Leisure** travelers, individuals, couples, and families seeking premium accommodations and experiences; **Business and MICE** (Meetings, Incentives, Conferences, Exhibitions) travelers, professionals, and organizations requiring convenience, premium services, and facilities for business events or conferences; **Real Estate buyers**, affluent individuals and investors interested in luxury properties offered under Pestana's Residences and Vacation Club divisions; **Golf enthusiasts**, tourists and local players drawn to Pestana's high-quality golf courses, which cater to amateurs and professionals and even **Casino patrons**, individuals seeking entertainment and luxury casino experiences. It primarily targets middle-aged and senior travelers with higher disposable incomes, consisting of international guests, particularly from North America and Europe (notably the UK), and national customers from Portugal.

Regarding the specific brand **Pestana Collection Hotels** (PCH), it also targets diverse customers, appealing more to **Leisure, Business, and MICE**. According to some Pestana experts, these tend

to value the blend of luxury, comfort, cultural immersion, coming to have “the time of their lives” (Pestana slogan), and are willing to pay a premium to receive a personalized and superior service that makes them feel special and unique (Pestana Hotel Group 2024). One of the most appreciated aspects is the authenticity of the historical settings, as the hotels are often located in culturally significant buildings such as palaces and national monuments. Guests seek a connection to local heritage, and staying in these iconic properties provides an enriched cultural experience, while combining modern amenities that allow guests to feel they are stepping back in time without compromising on contemporary comforts and modern luxury they expect. Personalized service is also highlighted as a key factor in the customer experience: tailored attention, where staff go above and beyond (“make the extra mile”) to meet individual preferences, creates a unique sense of hospitality.

Concerning PCH demographics, the gender distribution reveals a relatively balanced split between male guests, accounting for 57% of the clientele, and female guests making up 43%. This reflects the diverse appeal of the Pestana brand among both genders (see *Appendix B, Graph 1*).

Regarding age, most guests fall within the 35-54 age range, with 23% of guests aged between 45-54, 21% aged between 55-64, and 20% between 35-44, highlighting a mature audience with likely higher purchasing power. Notably, 15% of guests are aged 25-34, indicating that a younger demographic also shows interest in upper-upscale hotels, perhaps due to their increasing engagement in business or leisure travel. A smaller percentage (12%) comprises older guests aged 65-74, while younger travelers under 24 represent just 4% (see *Appendix B, Graph 2*).

Finally, PCH caters primarily to an international clientele, with Northern America being the largest market, contributing 23.9% of guests. Portugal follows with 13.2%, reflecting the brand’s strong local presence and other significant markets include the UK (12.1%), Benelux (10.6%), and DACH

(6.8%), further indicating the brand's appeal across Europe. Additionally, a smaller but notable percentage of guests comes from France (6.2%), Spain (5.5%), Brazil (3.7%), and other regions like Southern Europe and Northern Europe, rounding out the diverse geographic reach (*Appendix B, Graph 3*) (Pestana Group 2024).

4.3.2. Context

The macro-environment comprises a wide range of external elements that, while mostly beyond a company's control, have a significant impact on its operations and growth, generating both opportunities and problems. This influence is widely investigated using the PESTEL model, which evaluates critical external elements required for strategic planning and responsiveness (Gupta 2013). The PESTEL framework looks at a variety of aspects, including political, economic, socio-demographic, technical, environmental, and legal. The following PESTEL analysis is meant to provide a more in-depth understanding of the hospitality industry and how the Pestana Collection Hotels brand can be integrated within it.

Political Factors: Pestana Group operates in several regions with varying government rules, needing compliance in areas such as tourism, taxation, and labour. For example, the Portuguese government has developed a long-term tourism policy to promote sustainable growth in the sector. This strategy complements Pestana's own environmental initiatives (Turismo de Portugal 2024). This alignment allows for more effective long-term planning. Furthermore, following the pandemic, several nations are boosting tourism by offering advantages such as tax breaks and investment aid, which helps Pestana's operational growth (Makos 2024). Pestana's operations are influenced by foreign tourism rules, such as visa requirements and government-sponsored initiatives. Political stability remains an important consideration, as tourists prefer areas that provide a sense of security (Tourism Teacher 2024).

Economic Factors: Contributing around 20% to Portugal's GDP, the tourism industry is a key component of the country's economy (World Travel & Tourism Council 2024). Furthermore, this rise is beneficial to employment generation in the hospitality industry, as indicated by the World Travel & Tourism Council (2024), the sector is projected to employ 1.14 million individuals by 2024, representing an increase of 126,000 jobs in comparison to the figures recorded in 2019. However, the profitability of Pestana's premium and luxury offerings is subject to economic swings that affect disposable income (CaixaBank Research 2023).

Social Factors: The post-pandemic travel trends indicate that health, safety, and sustainability are the primary considerations for travellers, with luxury often associated with distinctive, eco-friendly experiences. Pestana's dedication to sustainability affords it a competitive advantage in attracting environmentally conscious tourists (YouGov 2023). Furthermore, social preferences reflect a growing demand for local and authentic experiences, particularly among millennials and Generation Z, who place a premium on immersive cultural activities. Pestana, with its regional focus, is well-positioned to capitalize on this trend by including local cuisine, art, and history into its services. The expansion of remote work has also resulted in an increase in demand from digital nomads looking for work-friendly destinations, which Pestana is well-positioned to address by providing appropriate amenities (Makos 2024).

Technological Factors: The hospitality industry is undergoing a rapid digital transformation, with travellers increasingly favouring online booking platforms such as Expedia and Booking.com. It is imperative that Pestana maintains a robust digital presence, with user-friendly applications and websites (Makos 2024). Furthermore, investment in artificial intelligence and big data enables Pestana to personalise guest experiences, analyse customer preferences and enhance customer

satisfaction. It is similarly crucial to utilise social media and influencer marketing in order to maintain brand visibility and attract an affluent clientele.

Environmental Factors: The concept of sustainability is gaining traction in the tourist industry, with environmentally conscious travellers expecting hotels to follow eco-friendly practices. Pestana's continual sustainability efforts, such as the planet guest program, reducing food waste and conserving energy and water, not only meet the expectations of environmentally concerned travellers, but also help to lower operational expenses. Obtaining and spreading certificates such as the Green Key, a certification that serves as a testament from companies that their establishments meet the rigorous standards established by the Foundation for Environmental Education, can help to strengthen Pestana's attractiveness to environmentally conscious travellers (Green Key 2024).

Legal Factors: Pestana is required to comply with the local labor regulations, which specify the minimum wages, benefits, and working conditions that must be followed in order to avoid legal complications and protect the company's reputation. The post-pandemic period has seen a heightened emphasis on health and safety laws, forcing the deployment of stringent safety measures in the hospitality business (Makos 2024). Moreover, data privacy is critical, especially given the General Data Protection Regulation (GDPR), which requires the deployment of strong data security precautions. A data leak could have a tremendous impact on Pestana's reputation. Furthermore, the financial planning process must incorporate the impact of various tourism-related levies, such as hotel and eco-taxes, on costs (European Commission 2023).

4.3.3. Company

As mentioned previously, Pestana Collection Hotels represents the upper-upscale luxury brand within the Pestana portfolio, catering to a discerning clientele seeking a blend of heritage, luxury, and cultural immersion.

Each hotel within the Collection sub-brand is situated in locations of historical or cultural significance, thereby ensuring that guests not only enjoy the highest standards of accommodation but also have the opportunity to engage with the local culture and history. Therefore, this brand is characterized by the values of **Heritage** (hotels in emblematic landmarks); **Exclusive & Unique** (architecture and personality); **Elegant & Upscale** (hotels for sophisticated travelers), and **Authenticity** (of Pestana's Portuguese service and staff).

Product and Service Offering: The Pestana Collection Hotels brand is distinguished by its commitment to providing guests with distinctive luxury experiences through heritage properties that evoke a sense of place. The following section provides an overview of the seven key hotels operated by Pestana Collection Hotels.

- 1. Pestana Palace Lisboa:** A National Monument situated within a 19th-century palace. This hotel is part of the exclusive collection of hotels known as "The Leading Hotels of the World." The hotel boasts expansive gardens, swimming pools, a spa, and a strategic location in proximity to Lisbon's most significant monuments.
- 2. Pestana Cidadela Cascais:** A five-star establishment situated within a historical citadel and features Europe's inaugural Art District within a hotel. The hotel fuses contemporary opulence with an unconventional artistic ambiance, offering views to the sea and the Cascais Marina.
- 3. Pestana Palácio do Freixo (Porto):** A Baroque palace on the banks of the Douro River and offers guests access to 10,000 square meters of gardens with views of Porto. It is also a distinguished member of the group "The Leading Hotels of the World".
- 4. Pestana Porto - A Brasileira:** Located in the heart of Porto, within the historic "A Brasileira Café". The hotel's interior design reflects the spices and products imported during the Portuguese maritime expansion, offering guests a blend of luxury and cultural heritage.

5. Pestana Vintage Porto: Situated in Porto's UNESCO World Heritage-listed Ribeira district and comprises 18 historic buildings. The establishment provides a distinctive experience that harmoniously fuses opulence with historical veracity.

6. Pestana Plaza Mayor (Madrid): Positioned in the Plaza Mayor, an iconic location in Madrid. It is a 5-star establishment that combines Baroque architectural style with contemporary design and facilities, offering guests a luxurious experience in the heart of the Spanish capital.

7. Pestana Amsterdam Riverside: Housed in two 19th-century Neo-Renaissance edifices on the banks of the Amstel River. It offers guests a refined ambiance, contemporary facilities, and a serene spa.

Financial Overview: According to the Annual Financial Report (2023) the Pestana Hotel Group has demonstrated a noteworthy financial performance in recent years, which can be attributed to the diversification of its portfolio and the strength of its brand equity.

In the 2023 financial year, the Group recorded a total revenue of €457.1 million, representing a 21.7% increase from the previous year. The Group's EBITDA reached €148.5 million, representing a 12.4% increase. This illustrates the company's operational efficiency and capacity to maintain profitability despite global economic challenges. The average room rate increased by 8.8%, which serves to illustrate the Group's capacity to attract guests with a high propensity to spend.

The Pestana Collection Hotels played a particularly prominent role in this growth, capitalizing on high-end tourism markets in both the domestic and international sectors. The hotels' strategic positioning in prime locations across Europe ensures a consistent demand from affluent travelers, with an average occupancy rate of 68.8% in 2023 (Pestana Group 2023).

Loyalty: Pestana also has its own loyalty program – Pestana Guest Club (PGC) – designed to reward guests based on their stays and spending. It features four main tiers: Guest, Elite, Eliteplus, and Honor, which are determined by the frequency of hotel stays or points earned. Additionally, there are two corporate tiers: Corporate Elite and Corporate Eliteplus, as well as a tier for Pestana Vacation Club members called Diamond. Members enjoy benefits like a minimum 10% discount on direct bookings, restaurants, bars, and partner companies. As guests move up the tiers, they receive added perks such as discounts on services, early check-in/late check-out, VIP treatment, and more points per Euro spent, making the program more rewarding for frequent visitors.

However, when analyzing customer loyalty at Pestana Collection Hotels, it's essential to assess both membership in the Pestana Guest Club (PGC) and the frequency of returning clients, which gives insight into how well the brand retains its guests and encourages repeat business: According to *Graph 4 (Appendix B)*, we can observe that most of the guests (83%) are “non-members”, indicating limited engagement with the loyalty program. Only a small percentage of guests (14%) belong to the "Guest" tier, with even fewer (2%) in the "Elite" one. Moreover, when analyzing repeat guests' behavior, the graph shows that 97.5% of the guests are New Clients², whereas only 7.4% are Returning Clients³, in the year 2023 (*Appendix B, Graph 5*). This absence of members in higher-tier members and minimal repeat business suggest challenges in fostering strong customer loyalty, potentially due to gaps in the perceived value of the loyalty program (not enough benefits) or insufficient incentives for long-term engagement.

² **New Clients:** Total number of customers without a reservation in the last 5 years.

³ **Returning Clients:** Total number of returning customers based on the filtered period of 2023.

Given this, there is an opportunity for the PCH to strengthen and enhance its loyalty initiatives, boosting customer retention, and fostering more meaningful connections with the brand.

4.3.4. Collaborators

It is crucial to understand the network of collaborators that support Pestana Collections Hotels operations and guest experience because they significantly impact the quality of service, operational efficiency, guest satisfaction, perception of the brand and, lastly the overall success which will determine the market positioning.

By evaluating partnerships with key suppliers, technology providers, marketing agencies, and other stakeholders, we can assess how these relationships contribute to the hotel's strengths or expose potential vulnerabilities. Moreover, examining these partnerships reveals how Pestana Collection leverages external expertise and resources to stay innovative and agile in a competitive market.

In essence, the Collaborators' analysis provides a deeper understanding of the brand's ecosystem, highlighting how external entities contribute to or hinder Pestana Collection Hotels' goal of providing a unique and high-quality guest experience, which directly impacts brand perception and loyalty.

The suppliers: Portus Calle, a Portuguese toiletries brand that embodies the essence of Portugal, has long been a staple in the bathrooms of Pestana Collection hotels. However, João Martins, Operations Director for Portugal, revealed during an interview at the Pestana Palace that this partnership is about to change. In the coming years, Portus Calle will no longer be the main supplier of bathroom amenities, as Pestana Collection Hotels plans to become an international brand. This change is in line with the hotel's objective to meet global standards and preferences, while continuing to offer quality products to guests. In addition, Pestana is working with various

information management systems, improving booking processes and specific partnerships within F&B to ensure streamlined operations and an enhanced guest experience.

Marketing and PR agencies: Pestana Collection hotels work with the agency Fuel for social media initiatives, supporting the brand's digital presence and engagement.

Local collaborations: Freddy Muñoz, Marketing Manager of Pestana Plaza Mayor, shared details of Pestana Collection Hotels' commitment to local collaborations through its Planet Guest program. This initiative emphasizes sustainability through environmental responsibility, social welfare, and business ethics. The program includes efforts to reduce the use of plastic, promote water desalination, protect biodiversity, and participate in global campaigns such as Earth Hour.

On a social level, Pestana supports local communities, contributes to global charities, preserves classified heritage sites, and invests in internal programs for the well-being of its employees, such as health and education initiatives. In addition, the brand supports projects for refugees and vulnerable populations, underlining its commitment to social impact and positive community engagement.

4.3.5. Competitors

The objective of this analysis is to undertake a comparative study of Pestana Collection Hotels with their principal competitors in each of the markets in which they operate. For each Pestana Collection property, a detailed comparison table is presented in *Appendix B*, including factors such as location, luxury level, historical significance, amenities, pricing, target audience, and unique selling propositions. The presented comparisons facilitate an exhaustive comprehension of the positioning of each Pestana hotel concerning its principal competitors.

Pestana Palace Lisboa competes against Hotel Bairro Alto and Olissippo Lapa Palace. Pestana combines luxury with historical grandeur in a calm setting, Bairro Alto caters to younger guests with a modern boutique ambiance in a vibrant area, and Olissippo emphasizes exclusivity and tranquillity with a focus on solitude in the upmarket Lapa district.

Pestana Cidadela Cascais competes against Grande Real Villa Italia Hotel & Spa and Hotel Quinta da Marinha. Pestana provides luxury in a historic stronghold with modern design, Grande Real combines classical elegance with royal history, and Quinta da Marinha focuses on wellness and leisure in a peaceful, natural location among golf courses.

Pestana Vintage Porto competes with Hospes Infantes Sagres and Casa da Companhia in the luxury market in Porto. Pestana combines historic elegance and modern luxury on the waterfront, Hospes offers an intimate boutique experience in a historic palace, and Casa da Companhia combines historical aspects with modern wellness in a central location.

Pestana Palácio do Freixo competes with the InterContinental Palácio das Cardosas and Maison Albar Le Monumental Palace. Pestana offers calm, historic grandeur along the Douro River, InterContinental combines elegance and convenience in the city centre, while Maison Albar concentrates on French-inspired beauty in a prominent location.

Pestana Porto - A Brasileira competes against PortoBay Teatro and Pousada do Porto - Rua das Flores. Pestana provides a boutique luxury experience with historical charm in a former coffeehouse, PortoBay focuses on modern design with a theatrical flair, and Pousada celebrates traditional Portuguese hospitality in a historic structure along the Douro River.

Pestana Plaza Mayor competes with Only YOU Boutique Hotel, Hotel Palacio del Retiro, and the NH Collection Madrid Palacio de Tepa. Pestana combines boutique luxury with historical charm

in a central location; Only YOU focus on a colourful, modern boutique experience; Palacio del Retiro offers a regal stay in a historic palace; and NH mixes modern design with historical relevance near cultural attractions.

Furthermore, positioning maps are included in *Appendix B* to facilitate the visualization of the relative positioning of each hotel within its competitive landscape. This approach is applied to each individual Pestana Collection property, to accurately capture the strengths of each hotel and differentiate them from their competitors.

4.4. SWOT

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was conducted to identify and assess critical elements that affect Pestana Collection Hotels. This technique gives important information by conducting both an internal analysis of strengths and weaknesses and an external examination of opportunities and threats, allowing for more informed strategic decision-making.

STRENGTHS	WEAKNESSES
<p>Prime Locations: Strategically located near important historical and cultural attractions, providing unique heritage experiences.</p> <p>Heritage and Authenticity: PCH distinguishes itself from the competition by combining architectural beauty and cultural immersion.</p> <p>Strong Brand Portfolio: The association with the Pestana Hotel organization, Portugal's largest hospitality organization, lends credibility and confidence.</p> <p>High Guest Satisfaction: Most hotels receive positive comments for their personnel friendliness and outstanding service.</p> <p>Partnership with LHW: Membership in The Leading Hotels of the World increases visibility and trustworthiness.</p>	<p>Low Brand Awareness: In comparison to global competitors such as Marriott, Hilton, and Four Seasons, the brand is not well known.</p> <p>Inconsistent Service and Amenities: Guests are dissatisfied with the room sizes, modernity of the facilities, and restricted dining selections.</p> <p>Decentralized Operations: Independent hotel operations may undermine a united brand identity.</p> <p>Reward Program Engagement: Pestana Guest Club has low engagement when compared to competitor reward programs.</p> <p>Price-Value Perception: A mismatch between the price and the perceived value by guests, particularly in terms of amenities.</p>
OPPORTUNITIES	THREATS
<p>Expanding Digital Presence: Increase visibility through social media, influencer relationships, and metasearch platforms.</p> <p>Improving Personalization: Use AI-powered tools to customize guest experiences and increase brand distinction.</p> <p>Cultural & Heritage Tourism Growth: Capitalize on the growing demand for authentic, local experiences.</p> <p>Sustainability Focus: Expand Planet Guest programs to attract environmentally aware guests.</p> <p>Market Expansion: Target high-potential markets such as North America and the United Kingdom with targeted marketing efforts.</p>	<p>Intense competition: Established worldwide brands with high recall dominate the upper-upscale market.</p> <p>Economic volatility: High inflation and currency changes can have an impact on travel habits and profits.</p> <p>Evolving Consumer Preferences: Rapid movements toward wellness, sustainability, and digital involvement necessitate ongoing adaptation.</p> <p>Labor Shortages: Difficulties in sustaining high-quality service standards due to personnel limits.</p>

Table 1- PCH SWOT Analysis

Source: Author's Creation

CHAPTER 5 - MARKETING RESEARCH DESIGN

5.1. Primary research

Within the domain of the hospitality industry, investigating the nuanced inclinations and perceptions of customers in upper-upscale hotels is crucial to delivering exceptional service and crafting them to stand out from the competition in this highly competitive market. This research aims to understand the preferences of customers and knowledge regarding upper-upscale hotels. Moreover, it was conducted to study the inner workings of PCH's hotels and the customers' direct experiences and satisfaction with PCH hotels, highlighting areas such as service quality, amenities, and overall experience, to find out the perfect formula for delivering value to the customers and fostering business growth. For this purpose, the research has been divided into two parts: Qualitative and Quantitative research.

During the qualitative research, six PCH Hotels were taken into consideration, hotels in Lisbon, Porto, and Madrid, in addition to two competitors of the sub-brand in each of these cities. In Lisbon, the hotels of interest were Pestana Palace Lisboa, Pestana Cidadela Cascais, Hotel Olissipo Lapa Palace, and Hotel Cascais Miragem Health and Spa. In Porto, Pestana Vintage Porto, Pestana A Brasileira, Pestana Palácio do Freixo, Intercontinental – Palácio das Cardosas, and Hospes – Infante Sagres. Finally, in Madrid, the hotels of interest were Hotel Pestana Plaza Mayor, Hotel Palacio Del Retiro, and Hotel OnlyYou Barquilo.

The objective behind the visits was to observe the internal and external environment of each hotel and conduct interviews with customers and the company's internal stakeholders. Then, to uncover the insights and output from the qualitative research, an online survey has been conducted to raise hypotheses and test them on a larger sample.

5.1.1. Marketing Research Question

The research question “What are the key factors influencing customer interest and loyalty in upper-upscale hotels and how can PCH leverage them to build a stronger brand identity?” looks to uncover customers’ needs, motivations, knowledge, perceptions, and attitudes to elevate PCH’s market position within the upper-upscale hotel segment.

5.2. Qualitative research

5.2.1. Leisure, Business and MICE

Methodology: The methodology of the research is composed of three steps. First, is **customer segmentation**, in Leisure customers (Segment A), Business customers (Segment B), and MICE customers (Segment C) (**Figure 1, Appendix C**). For each segment, a customized interview guide has been developed. Secondly, the **conduction of interviews** with current and potential customers from the competitive set (**Interview guides 1, Appendix C**). Lastly, comes **data analysis**, where interviews were deeply analysed, to gather insights and raise hypotheses.

Sample: 60 customer interviews have been successfully conducted, the customer segment with the highest number of interviews was the leisure segment (Segment A), with a total of 41 interviews in all cities. However, for the business segment and MICE segment, only 10 and 9 interviews were conducted. There were some difficulties while exploring the two segments individually. Regarding segment A, the age distribution showed that 16/41 participants were aged between 60–70 years old, making this range the largest age category, followed by another group between 45–60 years old accounting for 10/41 total interviewees and 8/41 interviewees in the 70+ group. The gender distribution was balanced with 21 male participants and 19 female participants. Concerning nationality, American interviewees represent 10/41 total participants, followed by 5 Portuguese

participants, and 4 British interviewees. 19/41 participants were retired, the most common educational levels were Bachelor and Masters, and lastly, the most predominant income bracket was more than €100,000 per year, followed by the range between €60,000 - €100,000 per year.

Regarding segments B & C, most participants are middle-aged, with 10/19 participants falling within the 45–60 years old age range, followed by five participants between 35–45 years old. Other age groups are less represented. Concerning gender, there is dominance of male participants in (16/19), and regarding nationality, it was dominated by French participants accounted for 9/19 of the total participants, while the other four participants are from the USA. In this segment, B&C, 8/19 interviewees were from the retail industry and 4/19 interviewees were from the Medical & Pharmaceutical industry. The most common educational levels in this segment were similar to segment A.

Limitations: While conducting customer interviews, assessing MICE and Business customers was difficult. Most of these customers did not have the time for an interview or did not spend a lot of time at the hotel. Indeed, time constraints limited the collection of sufficient data. Moreover, inconsistencies and variations in the questions occurred due to the difference in conditions from an interview to another. Consequently, uniformly analysing the interviews was challenging.

5.2.2. Internal & External Stakeholders

Methodology: For more insightful data, interviews with external and internal stakeholders were conducted, mostly the hotel's staff such as PCH general managers, Front Office and F&B agents, and representatives from the marketing agency collaborating with PCH. Each stakeholder received a personalized interview guide to guarantee the relevancy of the questions, to the stakeholder's knowledge, and expertise (**Interview guides 1, Appendix C**). Lastly, comes **data analysis**.

Sample: The sample is constituted of 18 staff interviews. Among them, were F&B employees, Receptionists, Guest Relations, and some managers from various hotel departments, such as Marketing and Operations (3 expert interviews with Operations Managers - One interview with Joao Martins, in Portugal, one interview with Mariana Pinto Pereira, in Madrid, and one interview with Bruno Ribeiro, in Porto). Furthermore, for more valuable insights into this project, an interview with the Marketing Project Manager, Margarida Fereira, and a complementary interview with FUEL agency, the marketing agency that PCH collaborates with were conducted.

Limitations: Similar to the customer interviews, the interviews were challenging due to time constraints. As well, the difficulty of finding availability to meet with staff members cause lack of diversity in the output of staff members interviews.

5.2.3. Data Analysis: Customers

Brand Recognition and Recall: Given the important number of answers obtained from leisure customers, which shows that PCH, especially during September, welcomes more leisure customers than MICE or Business customers, it was decided to deepen the analysis around that segment. While investigating the most known players in the market, it was found that Pestana faces low brand awareness, where the most recalled and recognized brand logos were Marriot, Ritz, Hilton, Four Seasons, and Intercontinental (**Figure 1 – Appendix E**).

Brand perception: It was noticed a general agreement with the specific mention of “Heritage” however, some disagreements occurred with “Exclusivity”, “Wellness”, and sometimes “Gastronomy”, depending on the hotel where the interviews occurred. On the other hand, many current customers were very satisfied with the service quality and friendliness of the staff. Nevertheless, there were differences from one hotel to another. For instance, Pestana Palace Lisboa

and Pestana Palácio do Freixo were described as classic and vintage, while Cidadela Cascais was described as modern and friendly (**Figure 3 – Appendix E**)

Customer preferences: When asking about the most important criteria when booking a stay at a hotel, “service”, and “location” were on top of the list, followed by “amenities” and “reviews. Customers seemed to be insensitive to price fluctuations as price was not the most frequently mentioned criteria. However, the quality must match the price (**Figure 2 – Appendix E**)

To **book a stay at a hotel**, these customers rely a lot on platforms such Booking.com, and TripAdvisor, but also on travel agency (especially American customers) and the hotel’s website.

When asking about the **most preferred marketing channels** to receive any hotel news and promotions, 12/41 of our leisure participants said they prefer Email marketing, 4/41 stated social media (mainly Google Ads), and 2/41 stated channels such as TV and Magazines. However, none of these participants recalled a marketing campaign from a hotel chain. Nevertheless, it is important to note that many participants knew hotels through their acquaintances, showing that Word-Of-Mouth, is still a valuable tool in this market.

About the **loyalty programs**, mostly customers from the USA were members of loyalty programs, and from local hotel chains. The most stated loyalty programs were from Marriot, Hilton and Sheraton. Benefits like personalized service, discounts, trusted quality were the main reasons for these memberships.

Customer experiences inside PCH: Current customers were asked about their experience during or after a stay at a PCH hotel, focusing on segment A (leisure). Overall, PCH customers are fond of PCH hotel's location choice, which strengthens the cultural and its historical side. Moreover, in almost all hotels, service is described to be “immaculate” where the customer is the king. However,

there were some weaker points, mostly about room amenities and room sizes, due to the fact that Northern American customers link comfort with big room sizes, as it is the standard in the U.S. Furthermore, the facilities seem to lack some modernity and innovation, leaving a window for PCH for improvement, to meet the customers' expectations and differentiate itself from the competitors. Lastly, in some hotels, the service was slow, and the food options were limited. Consequently, PCH should focus more on improving service quality, and the value offered to the customers through more efficient service, and a more diversified food menu. See **Figures 3 and 4**, *Appendix E*

5.2.4. Data Analysis: Pestana Expert Insights

Concerning Pestana Experts, the analyze was focused on the common factors between each hotel under the PCH sub-brand, and the degree of collaboration and integration between them. According to the insights obtained, it was found that in each hotel has common Standard Operating Procedures (SOP), by which the employees operate to deliver a good service to the customers. Moreover, each hotel is a renovated old building and has a story behind its strategically location. In addition, all hotels under PCH are four or five-star hotels upper-upscale hotels, and almost all of them share the same social media account. However, each hotel operates independently.

5.3. Quantitative Research

Methodology: For quantitative research an online survey on Qualtrics was designed (**Figure 1** – *Appendix D*). According to the findings of the qualitative research, a filtering section based on nationality was created to target relevant nationalities for this sample.

Sample: The targets for this survey were Portuguese, Brazilian, Northern American, and British, selected based on their relevance to PCH key markets. A total of 574 answers was collected, from all nationalities, and for filtering purposes and accuracy of the study, a total of 296 valid answers

will be analysed. In this quantitative study, the behaviour of consumers, their habits, and preferences regarding leisure trips also need to be considered. Most respondents usually travel for leisure purposes or business. Leisure is on top of the list with 246 answers, followed by 162 answers for Business, and 85 answers for MICE – Noting that respondents could pick more than one answer - 48% of leisure travelers, claimed that they travel from 1-3 times a year, usually, with family members. The graphs (**Figure 1,2 and 3** – *Appendix F*) show the profile of our survey respondents, and their travel habits.

5.3.1. Limitations

Given the complexity of the marketing research question, significant time was invested in designing a reliable, and comprehensive survey. As a result, less time was available for extensive respondent outreach. Moreover, it was difficult to reach individuals from key markets such as Northern America, and the United Kingdom. Furthermore, we encountered difficulties in connecting with a substantial number of PCH customers, which has limited our access to more insights tied to the brand. As well, the application of stringent filters further narrowed the respondent pool, leading to a notable decrease in the number of valid responses toward the end of the survey.

5.4. Data Analysis

Most respondents are Portuguese leisure travellers, suggesting a focus on local marketing while expanding to North American and British travellers. The emphasis on leisure presents an opportunity for relaxation and cultural experiences. The combination of business and leisure travellers suggests offering combined business-leisure packages to encourage extended stays.

Most respondents are Portuguese leisure travellers, suggesting a focus on local marketing while expanding to North American and British travellers. The emphasis on leisure presents an opportunity for relaxation and cultural experiences. The combination of business and leisure travellers suggests offering combined business-leisure packages to encourage extended stays.

Consumer preferences: Marketing Channels: As shown in **Figure 4 – Appendix F**, Email marketing is the preferred channel with 48% among total answers, followed by with Google (13%). On the other hand, other marketing channels such as out-of-home advertising, magazines, Facebook are on the bottom of the list of preferences. As a matter of fact, data-driven email, can be highly effective in this case, in securing the customer’s consent to receive these e-mails.

Booking Platforms: Guests use a mix of third-party sites and direct booking. 65% of answers were for Booking.com, 67% of answers were for the hotel’s website, followed by the mobile phone, or travel agencies as the least chosen options. This shows an opportunity for PCH to encourage more direct bookings by offering discounted prices to guests booking through their website. More details are shown in **Figure 5 – Appendix F**.

When asking customers about **loyalty programs**, similar results as in the qualitative analysis, were obtained (**Figure 6 – Appendix F**). This confirms our hypotheses that Northern Americans prefer being members of local hotel chains’ loyalty programs; In fact, 26% of our respondents claimed to be members of Marriot Bonvoy, followed by 22% members of Hilton Honors and 17% members of IHG One Rewards. Only 4% of the respondents claimed to be members of the Pestana Guest Club, which represents a total of 14 answers over 133. However, not all respondents of this group stayed in a PCH Hotel. This shows an extreme need and opportunity for innovation and change in Pestana’s loyalty program.

Brand recognition insights: When investigating which hotels are on top-of-mind, customers were asked to select all the upper-scale hotel chains they recognize; Marriott, Sheraton, Four Seasons, Ritz Carlton, and Hilton are again on top of the list, with around 66% of respondents recognizing the brands, followed by around 16% of participants recognizing Pestana and NH Collection at the bottom of the list, indicating a need for stronger international marketing to compete in the upscale market (**Figure 5 – Appendix F**). When asking our respondents if they know PCH, 60% of 226 participants claim to know the brand (**Figure 6 – Appendix F**). Respondents who do recognize Pestana, state that they know it from friends, family, or acquaintances, or Google Ads or other marketing channels, (**Figure 6.1 – Appendix F**) Additionally, most respondents who are familiar with PCH, associate it with “Elegance” and “Heritage”, however, attributes such as Exclusivity, Authenticity, and high-end dining, which play an important role in assuring the Luxurious side of the hotel, are in the bottom of the list (**Figure 7 – Appendix F**). This is proof that there are small incoherencies between the hotels under PCH, where weak points of a hotel can affect the positive points of another hotel under the same sub-brand.

Customer experiences inside PCH: As shown in **Figure 8 – Appendix F**, the positive points of PCH according to the respondents are location, the staff, the hotel’s historical significance, and the decoration. Followed by Price and Outdoor pool at the bottom of the list. Regarding the negative points, the research findings show that the value delivered to the customers did not match their expectations at the time of their stay, therefore, the price was not appropriate to them. In order to achieve customer satisfaction, a balance between profitability and delivering customer value needs to be created and maintained. Concerning the outdoor pool factor, Pestana Cidadela Cascais had the lowest grade, we suggest highlighting more the outdoor spaces and gardens, maybe add a touch

of modernity. Also, organising some activities for the guests outside or in the pool, improving the service overall.

5.4.1. Cluster Analysis

To support our research and better develop targeted marketing campaigns, it was conducted a cluster analysis to group customers based on their purchases and preferences.

The following analyses were carried out through Hierarchical clustering analysis using the Centroid Clustering Method followed by a K-means analysis.

1. Key Factors for Booking 4-5 Star Hotel Stays

The first analysis was realized based on the importance that guests attribute to factors, such as *Location, Price, Gastronomy, Service, Wellness Center, Friendly Staff, Reviews, Room Size, Event Spaces, and Outdoor Pool* when booking a stay at a 4/5-star hotel and comprises a sample size of 241 respondents. Using all these variables, we started by conducting a Hierarchical Cluster analysis, to find the number of clusters that would further represent our segments.

According to the results presented in **Graph 1** in *Appendix G*, we can observe that the line forms 3 accentuated elbows, at points 237, 235, and 234, which will then define the number of clusters we will use for the next analysis: K-means. Proceeding with the mentioned process, we also generated an ANOVA table (**Table 1**, *Appendix G*) to assess the level of significance that each variable was contributing to the Importance-Factors relationship. By looking at the significance of factors “Location” and “Price” we can state that the values obtained were above the level of significance of the level of 0,05, which makes these variables behave in similar ways on the 3 clusters (see *Appendix G*). The rest of the variables remained with a significance level below 0,001. For this reason, we removed these variables from the analysis, as the clusters would have to be

chosen to maximize the differences between cases in different clusters and conducted another K-Means cluster analysis this time without the variables “Location” and “Price”.

According to the results of this second analysis (**Table 1.1** in *Appendix G*), all the variables presented a significance level below 0,001, which means they were relevant to the study and the clusters were grouped so we could find common factors (see *Appendix G*). We also proceeded to analyze the different nationality distribution among the 3 distinct clusters.

Cluster 1.1 "Review-Oriented Guests": This group of respondents is primarily composed of Portuguese guests, but also represents a significant proportion of Northern American travellers.

Guests in this cluster strongly rely on reviews to make their booking decisions and could be easily influenced by others' experiences. They prioritize hotels with positive feedback on staff friendliness and quality of service, likely viewing these elements as a reflection of their potential experience.

Cluster 1.2 "Service & Experience Enthusiasts": Portuguese travelers are also very representative of this group, followed by the British ones. This analysis has a limitation regarding Brazilian respondents due to the very few answers we obtained from Brazilian guests, so they happen to be underrepresented in the cluster analysis. However, this one is the most representative of this nationality among all these 3 clusters.

Their top 2 priorities are Customer Service and Friendly Staff, but they also value hotel Reviews, and some features and facilities such as Room Size, Gastronomy, Wellness Center, and Outdoor Pool. We could assume that these guests value an all-around experience and enjoy engaging with the hotel's amenities, so are also more likely to book longer stays to make use of the hotel's full range of services.

Cluster 1.3 "Space and Comfort Seekers": Regarding nationality, this segment is balanced between Portuguese and Northern American respondents and is also the most representative of British guests and the 2nd most representative of Brazilian ones.

As the previous cluster, this one also attributes a big importance to Customer Service and Friendly Staff but also heavily values the Room Size, when booking their stay, which suggests a strong preference for comfort and spacious accommodations.

2. Preferred Channels for Receiving Hotel Promotions

The second analysis focuses on understanding our respondents' preferred communication channels for receiving hotel promotions, such as *Email, Google, Facebook, Instagram, TikTok, SMS, TV; Magazines & Newspapers, Out-of-Home (OOH) Advertisements, and Blogs*, and comprises a sample size of 235 respondents (6 respondents were missing). This would allow us to create tailored marketing strategies to better align with our target segment preferences.

Such as the previous analyses, we started by conducting a Hierarchical Cluster Analysis to find to number of clusters represented. According to **Graph 2** (*Appendix G*), we have also considered 3 clusters for the K-Means analysis, represented by the 3 most accentuated elbows, at points 232, 231, and 230.

After running the ANOVA test (**Table 2**, *Appendix G*), we observed that the variables *Google, Facebook, and SMS* represent a level of significance above 0.05, which was not significant for our analysis, so we removed it and conducted a second analysis.

However, by looking at the results shown in **Table 2.1.1** and **Table 2.1.2** (*Appendix G*), we can observe that only 18 respondents (from the sample of 235) were representative of cluster 1 – guests who preferred receiving promotions both by *Email* and *Magazines & Newspapers*. Given the low

representativeness of this group and because, as well as cluster 3, these respondents were also choosing *Email* as a favorite platform (demonstrated by the numbers 1 – “Yes” and 0 – “No” in **Table 2.1.2**), we decided to change the number of Clusters to represent the different groups within the sample and conduct other analyses with only 2 clusters.

This time we removed the variables *Google*, *Facebook*, *SMS*, and *Magazines & Newspapers*, and further *TV* and *OOH*, until we get significant results. According to the ANOVA test represented in **Table 2.2** (*Appendix G*) all the variables already presented a significance value below 0.001, meaning they were relevant to the study, and so the clusters were groups according to common patterns found. As in the previous analysis, we also proceeded to combine nationality distribution among the 2 distinct clusters (see *Appendix G*).

Cluster 2.1 “*Email-Centric Traditionalists*”: This group is a great representation of all nationalities and shows a strong preference for receiving promotions via email, with little to no interest in social media platforms such as Instagram, TikTok, or even blogs. It is so ideal for targeted email marketing campaigns that could offer exclusive promotions or even content aligned with their cultural interests.

Cluster 2.2 “*Social Media Savvy Explorers*”: This cluster shows a high preference for Instagram, indicating a preference for visually engaging and social media-driven content. It is most likely to be more digitally active and influenced by lifestyle content, making them ideal for visually appealing Instagram ads, and also influencer partnerships, especially among Portuguese and British nationalities.

CHAPTER 6 – MARKETING STRATEGY: ACHIEVING A BREAKTHROUGH FOR PCH

With the insights gathered in the qualitative and quantitative research, it was possible to develop an integrated marketing strategy to address the challenge provided by PCH: “*How can Pestana Collection Hotels achieve a breakthrough?*”. In the following sections, the report will address the strategy and solution developed in detail and how it can positively impact the Pestana Collection brand.

6.1. STP analysis

In the development of the solution, it is key to clarify and understand the segmentation, targeting and positioning (STP) of Pestana Collection group in context with the parent brand as well as in the competitive landscape. The STP analysis is a marketing model which helps brands in decision-making regarding strategic approaches and commercial effectiveness. The model helps in selecting the most relevant segments for the brand, contributing to a more precise and targeted marketing mix and product positioning strategy (Hanlon 2024).

6.1.1. Segmentation

Segmentation addresses the different relevant groups of customers whom a company can target for their marketing initiatives. In the research three relevant segments were identified of Pestana Collection customers. These were: leisure guests, business guests or MICE (meetings, incentives, conferences, and events) guests as these are generally the three most present guests in most hotels. The most present segment was tourism and leisure travellers. For the leisure segment, most of the participants were both men and women, already retired, and between 60 and 70 years old, mainly coming from the USA, and with a high-income level between €60,000 and more than €100,000 per

year. Within this leisure segment, it was also observed that 24 out of 41 travelers interviewed were couples. Regarding Business and MICE – these can be grouped due to similar profiles observed in the research. In these segments, participants were predominantly, middle-aged men, between 45 and 60 years old, working in the retail and medical & pharmaceutical industries, mainly coming from France (Appendix H, Figure 1).

6.1.2. Target

The information gathered from the primary and secondary research guided the decision of the target segment. Firstly, data received from management at the hotels and from the marketing team confirmed that most guests, year-round, were tourists (Pestana Hotel Group, 2024). This was partially related to the location of the hotels, typically situated in prime touristic locations as well as far or poorly connected to business areas. Additionally, the hotels' design and offerings are focused more on relaxation and cultural experiences, which resonates more with leisure tourists rather than business travellers. In fact, in the hotels it was found that there were limited business amenities such as large conference spaces or meeting rooms. This higher demand by leisure guests was reflected in the interviews where 41 out of 60 interviews were conducted to leisure guests and over half of these were also couples (*Appendix H*, Figure 2 & 3).

Combining the qualitative and quantitative research results as well as data provided by the company, it's visible that the demographic profile of the target segment shows that the largest representation of couples is between **60 –70 years old**, but there is also a notable presence of guests **between 45–60 years old** and **above 70**, while younger couples are underrepresented. In the data shared by Pestana, this is further demonstrated by their age distribution of past clients, identifying guests between 64-year-old and above as 38% of their guests followed by those between 45–54-year-old representing 23% of the total (Appendix B, Graph 2). Research also showed that most guests were

retired which aligns with the age distribution and have a high-income level. **Regarding nationality,** couples from the **USA** made up the largest group (6 out of 24 individuals), demonstrating that PCH is particularly appealing to American tourists but also to **Brazilians and UK and Portuguese** individuals as well.

Aggregating the different elements together, the marketing and communications efforts should therefore be targeted into two segments. The **primary segment**, most represented in the data, are **individuals and couples above 60 years old with high income, coming from the USA, Portugal, Brazil, and the UK traveling for leisure purposes**. The **secondary target** is therefore those **between 45- and 60-year-olds**, with **similar demographic patterns to the primary target** but with a higher degree of **tech savviness**. The choice of targets allows PCH to reach its primary customers as well as grow further in a significant age segment with a higher digital presence. The secondary target allows PCH to cast a broader net with the objective of boosting its brand awareness in its digital marketing efforts.

6.1.3. Positioning

As addressed by Gupta (2019) “Increasingly, organizations are recognizing differences in customer preferences and needs when designing their product offerings”. Using the three steps to effective brand positioning, it is possible to construct a positioning that will provide PCH with a key leverage against its competition which can guide its marketing and strategic decisions.

The positioning of a brand is essential to clarify the space a brand wants to occupy in the minds of its customers, especially against the competition. Positioning concentrates on 4 key elements, the target, the frame of reference, the point(s) of difference, and reason to believe. Upon defining the target segment for the marketing efforts, the positioning can be elaborated. Reemphasizing the development of the **target** segment, one can briefly describe it as **travelers, couples, and**

individuals above 45 years old, who appreciate the fine details in upscale tourism, from a personalized experience to unique locations. Furthermore, considering the highly saturated competitive hospitality landscape, one can simplify the **competitive set** as **upper upscale hotels** offering comparable propositions with regards to price, location, and level of service to clients.

Finally, it is key to identify the **value proposition or points of difference** unique to the PCH brand. In its foundation, PCH has points of parity common with its competitors necessary for basic success within the industry. These include a high-quality level of service, Standard Operating Procedures (SOPs), and other amenities and services required to ensure a 4- or 5-star quality consideration. However, most importantly in the value proposition, PCH holds unique points of difference. As mentioned by guests in both qualitative and quantitative research, the **location and unique heritage** stand out as differentiating factors for the PCH brand against its competitive landscape. Additionally, the brand aims to distinguish itself in the personalized services and experiences provided to each client during their stay. Finally, in its **reasons to believe**, PCH benefits from the parent brand's legacy in serving guests for over 50 years on a worldwide scale. Additionally, the irrefutable history behind each location serves to support the claim the brand makes.

Nevertheless, for this analysis to be complete, an assessment of how this positioning situates PCH's brand against its direct competition as well as the degree of alignment between the idealized perception and that which is felt by the guests is necessary. By building positioning maps of the main competitors for each location, one can see that PCH **shines** with regards to **location** and the historical **heritage** linked to each hotel. PCH **communicates** their **focus** on **services** and, while guests **recognize friendliness** and approachability, more actionable efforts can be made to **improve the personalization** aspect of service, in turn also creating a greater sense of **exclusivity** and **uniqueness** in the customers' stay.

Furthermore, with a deeper analysis of the several factors of PCH’s value proposition, positioning maps⁴ (**Figure 1**) can be defined as the degree of alignment of the brand’s objective versus what is being perceived by guests based on primary research findings. The results further confirm the perceived heritage and location advantages as well as the friendly staff but demonstrate the space for improvement in other aspects such as personalized experiences, as well as other amenities and services.

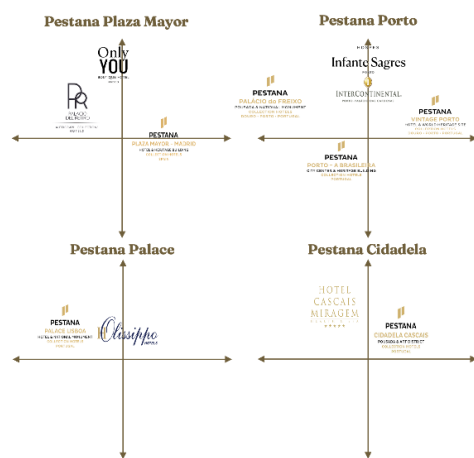


Figure 1- PCHs Positioning Maps
Source: Author’s Creation

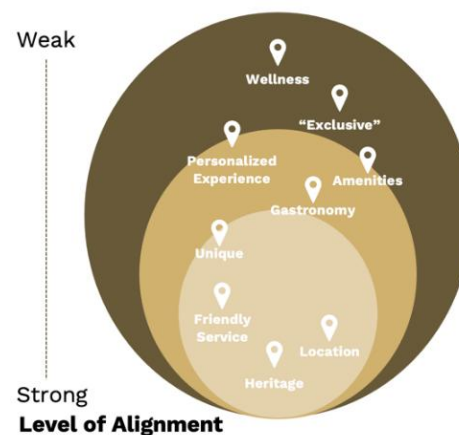


Figure 2- PCH Points of Difference
Source: Author’s Creation

With the four core elements to the positioning statement as well as an understanding of guests’ perceptions, the **positioning statement** can be built: *For leisure travellers from 45 years and older who appreciate the fine details in luxury tourism, Pestana Collection Hotels is the upper upscale hotel brand that offers personalized experiences and unique locations because only Pestana Collection Hotels can draw from the 50 year legacy of its parent group and provides a combination*

⁴ Maps on **Figure 1** considers only visited competitors. X-axes left to right; exclusive & secluded location to central & accessible location vs. y-axes (top to bottom) personalized vs. standardized services.

of friendly and high-level service, unique heritage, and prime locations to travellers all around the world.

6.1.4. Overview of Success Points & Challenges

The development of the marketing strategy and mix was not only based on the positioning of the brand but also, and most importantly on the key success points & pain points of PCH. We believe that leveraging these success points while trying to mitigate or solve the challenges will be key in addressing the overall challenging and achieving the breakthrough.

Regarding the main success points identified throughout the research process, they are summarized into **location, heritage and friendliness of staff**. Looking at location, guests often praised the ideal placement of the hotels, namely for the purpose of their trips. Whether they were seeking city central options near to touristic sights or more secluded or peaceful location, guests both in qualitative as well as quantitative research were positively impressed and often noted it as one of their favourite parts. Additionally, the heritage of the buildings was clearly a unique point for guests. Next to competitors, the PCHs stand out for the importance and significance behind the hotels. Finally, the natural warmth and friendliness of the service provided by the staff was mentioned by most guests as an aspect which stood out to them during their stay. The marketing strategy, presented later, will leverage these key differentiators and further developing them as competitive advantages.

Regarding the pain points and improvement opportunities, three key aspects will be explored: low overall brand awareness, lack of personalized services and space for improvement in amenities, services and general offerings. Throughout the research process, the hypothesis of low brand awareness was confirmed. Specifically, regarding the targets of the study, one can see that across all markets the awareness of the Pestana Collection Hotels is low. The brand suffers from both low

recall as well as recognition which possibly damages its ability to further boost its growth. Furthermore, despite PCH's attempt and claim in providing personalized services during guests' stay, their perception was misaligned with what the company believes. Finally, aggregating a few struggle areas, the services, amenities and general offerings provided to the guests were identified as key areas of improvement. Considering its positioning as an upper upscale brand, PCH need to reevaluate and reconsider their current offerings and refine them.

6.1.5. Brand Objectives

Given the key areas to leverage and solve previously covered and the positioning PCH wants to achieve, a marketing strategy has been developed. The marketing strategy is centred around two key objectives essential in improving PCH's current situation.

The first key objective is to improve the **value proposition** offered to guests to create more cohesive PCH brand based on the clarified positioning and accompanying PODs. In doing so, not only will the brand clarify the relation of the hotels and what level of quality they can expect when "consuming a service" from that brand, but it will also further assist in providing coherent external communication. The second objective is to improve brand awareness via clearer and more coherent communication of the PCH brand in a targeted way as is explored in more depth in the Communications Plan. This will not only be reflected in a more integrated approach in promotional channels but specifically creating content and messages specifically directed towards the targets previously addressed (general target level as well as cluster behaviours).

Furthermore, consider the high detail and variety of solutions & suggestions, the plan is devised in a way that clarifies where the priorities of the PCH should be and, in line with this, what period they should expect to launch or activate certain initiatives. Specifically, in the marketing mix, there is clear differentiation between priority 1 and 2 initiatives, which are suggested to be implemented

in the short term and priority 3 initiatives which are considered less urgent, or which might require higher budgets or efforts.

6.1.6. Brand Architecture Changes

A secondary alternative recommendation was developed regarding the brand architecture is proposed in case the priority initiatives provided do not successfully achieve their objectives. Considering the better brand awareness of the individual hotels themselves rather than the group brand, the team should consider investing in a redesign of the brand architecture, specifically the logotype to give more visibility to the brand name rather than the hotels specifically.

In the image seen in Appendix H, Figure 4 one can observe 3 alternative options which could be relevant for PCH. For instance, placing the Collection branding first makes it the first thing seen by the audience, followed by the name of the hotel, followed by the parent brand, giving less importance to the parent brand and hence mitigating contamination of negative reputation, while simultaneously maintaining some degree of connection, serving the purpose of positive associations to those with positive experience at a Pestana hotel.

Implementing such a recommendation could provide several benefits to PCH. Firstly, it may help to clarify the brand in a visual way to guests and potential, considering the first thing they would look at would be the name of the brand overall. Secondly, it might avoid the contamination of the upper scale brand with the other brands from the parent group. While all Pestana brands appear to be successful, for PCH to develop a strong association as an upper scale brand, it is important to avoid overly strong and apparent connections to other brands under the parent group, that cater to other segments such as lifestyle. It may occur, if the association is too direct, that the benefits associated with PCH such as luxurious or personalized will benefit the other parent- and sub-

brands while in the opposite case, the associations made to the other brands might dilute the trust customers have on the proposition and promise made by the PCH brand.

However, this idea is not considered to be the first alternative to consider as the **risks and implications associated are considerable**. Firstly, this would imply a high financial investment across all hotels, branding without assurance that the changes would generate the desired goals. Secondly, the company would have to undergo structural changes which might bring more challenges internally than benefits externally. PCH is also limited to following the structure of the parent company which has follows the existing designs. Furthermore, “Collection” is a word used by many upper upscale hotels, creating a differentiation challenge for PCH. Nevertheless, although this proposal may not make sense for the brand in the short term, perhaps in the long term a more aggressive approach will be necessary, in this case, flexibility is encouraged to consider this option.

6.2. Marketing Mix

6.2.1. Product/Service

As brands face increasing pressure to differentiate themselves, due to the acceleration and diffuse homogenization of products and services, Kapferer (2012) states that is crucial for a brand to define its identity – the brand’s unique vision, values, and personality – and therefore differentiating itself from its competitors.

The Brand Identity Prism is a conceptual tool developed by Jean-Noël Kapferer for defining a brand's identity across six key elements: physical aspect, personality, culture (values), relationship, reflection, and self-image (Kapferer 2012). This is a crucial aspect, as it guarantees alignment between how a brand is perceived and its intrinsic values, thereby enabling businesses to differentiate themselves from their competitors. The prism enables companies to foster stronger

customer connections and more effective marketing strategies by ensuring consistency between a brand's internal values and its external representation. The following images reflect PCH Brand Identity, built based on the Kapferer Brand Identity Prism.

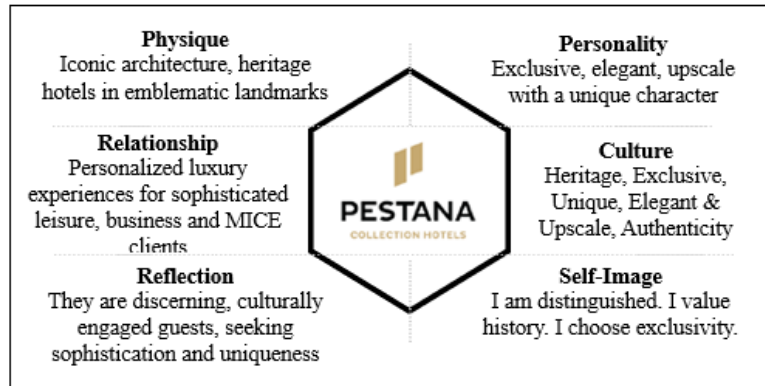


Figure 3- PCH Brand Identity
 Source: Lourenço (2024)

The report presents initiatives that capitalize on Pestana’s core offerings of luxury, personalization, and prime location. These are designed to unify and elevate Pestana’s product identity across all Collection Hotels, creating a cohesive experience that resonates with guests and reinforces the brand's distinct character. Furthermore, it will further leverage the differentiating points that make the brand stand out against its competition.

These recommendations are organized into three Priority 1 initiatives: **In’n’Out Experiences** and **In-Room Extra Comfort**. Each initiative is further developed into a few concrete services that address different aspects of the guest experience, from consistent service to immersive, local interactions.

Regarding **In’n’Out Experiences**, these serve to cater to the tastes of those guests who enjoy making the most of their stay outside the hotel as well as those who prefer to enjoy the hotel. PCH should offer **Guided Location-Based Experiences** as well as **Signature In-Hotel Moments**. **Guided Location-Based Experiences** aims to leverage the premium location of each hotel,

deepening guests' connection to the destination. Each hotel can create curated itineraries and partnerships with local guides to showcase iconic sites and cultural experiences unique to its location. For example, Pestana Palace's "Belém Cultural & Culinary Journey" combines visits to UNESCO sites with tastings of local delicacies, while Pestana Palácio do Freixo's "Douro Valley Discovery" offers a journey through Portugal's famed wine region. These immersive experiences allow guests to engage with the local culture, fostering memorable stays that elevate the Pestana Collection's appeal. Furthermore, with additional information gathered prior to and during the stay, each experience can be specifically tailored to the guests' preferences.

Signature In-Hotel Moments are tailored to enhance stays for experience-focused guests as seen in cluster 1.2 of the analysis conducted. Personalized offerings like spa and dining packages or in-room wellness treatments enable guests to indulge without leaving the hotel, encouraging longer stays and more profound brand engagement. These offerings position Pestana as a destination in itself, meeting guests' desires for relaxation and premium service.

In-Room Extra Comfort contains two elements of service offerings, **Premium Bed Settings** and a **Pillow Menu**. This would incorporate uniform elements across properties, such as customized bedding choices and a Pillow Menu, providing guests with options tailored to their comfort preferences. From bedding materials to personalized pillow firmness, the consistency across locations enhances guest satisfaction and brand familiarity as well.

Finally, the team developed third-priority initiatives. These include the **PCH Menu** and **Portuguese Specialities**. The PCH Menu includes a unique tasting menu showcasing each hotel's signature dish, crafted to reflect the local flavors and culinary heritage of its region. Each Pestana Collection Hotel offers a distinct dish under the PCH menu inspired by regional specialties, enhancing the authentic guest dining experience. Additionally, each Collection Hotel would offer

a Portuguese specialties corner at breakfast, as seen at Pestana Vintage Porto, allowing guests to enjoy an authentic taste of Portugal regardless of the hotel they are staying.

Integrating these service-focused initiatives will enhance Pestana Collection Hotels' unique position in the upper upscale market. By standardizing quality, embracing the local charm, and providing exclusive in-hotel options, Pestana can deliver a distinctive and memorable experience that resonates with guests, strengthens its brand identity, and supports the overall marketing objectives.

6.2.2. Place

In hospitality, place refers to the channels through which a guest can book a stay at a hotel. It is particularly relevant to reach the right segments and to boost visibility (Wright 2024). Three main initiatives of priority 1 and 2 are proposed to boost PCH's brand reach, awareness and customer engagement. These initiatives are crucial to enhancing brand visibility, accessibility, and trust, ultimately supporting the group's objective of achieving market breakthrough.

The first priority for Pestana Collection Hotels should be to **improve the overall structure and layout of the website**. This is critical to ensuring a seamless user experience across all digital touchpoints. Improvements should focus on creating a user-friendly, accessible, and visually engaging platform. This includes redesigning the layout for better navigation, incorporating clear and concise content, and implementing new features to facilitate effortless booking and information access. By improving the overall design and infrastructure, Pestana can provide potential guests with a smooth and satisfying online experience that aligns with the brand's high standards.

In addition, **showcasing positive guest reviews, staff testimonials, and awards** on the website will reinforce the brand's reputation for quality service. Encouraging guests to leave reviews on

TripAdvisor, Booking.com, and Google enhances visibility and credibility as shown in the research. Furthermore, featuring staff testimonials highlights the dedication of PCH's employees, while showcasing awards and certifications underscores the brand's commitment to excellence and service consistency. This type of content can also help to improve the SEO content of the website and help PCH to appear higher ranked in organic Google searches.

Finally, under the website, **highlighting larger room options** to attract customers who prioritize spacious accommodations is recommended. By emphasizing these room features, PCH can better cater to the preferences of high-value guests who seek added comfort and luxury.

Although PCH communicated existing plans to improve the website, and there are implications and limitations to the implementation of a new website as it is aggregated to the parent brand, these suggestions provide a guide in key features that should be implemented alongside the improvements the brand has already planned.

Secondly, in priority 2 PCH should **increase their partnerships with established travel agencies**. By collaborating with trusted agencies, such as *American Express* for American clients or *Agência Abreu* for Portuguese travelers, Pestana can access a broader market, gain reliability, and leverage these agencies' established networks. This approach is essential in building trust with potential guests, especially given the low brand awareness in target markets.

As a second priority, it is also suggested that **PCH boost its agreements and further leverage existing contracts with booking platforms and OTAs**. PCH should invest further in internationally dominant platforms such as Booking.com, ensuring it is promoted higher in search results. Simultaneously, PCH should consider a stronger presence locally relevant and trusted websites in the focal markets such as Expedia for the USA, HotelDirect for the UK, Trivago for

Portugal, and Decolar for Brazil. This international and national approach ensures that the brand will reach potential guests in websites they trust, hence improving the probability of engagement and conversions into bookings.

By implementing these initiatives, PCH can strengthen its distribution channels and strategy which in turn will contribute to higher visibility, credibility, and overall awareness for the brand. Partnerships with travel agencies, a redesigned website experience, and strategic highlights on room options will collectively ensure that the brand reaches a broader audience and communicates its values effectively. This holistic approach to “Place” supports the brand's goal of achieving a breakthrough.

6.2.3. Physical Evidence

In hospitality, physical evidence consists of the tangible elements of a brand which play a key role in shaping the guest experience, which is particularly relevant in a sector mainly operating in an intangible nature. Four initiatives have been developed to enhance the sensory and aesthetic experience of guests, reinforcing the Pestana brand’s commitment to luxury and personalized hospitality. These initiatives focus on tangible elements that create a memorable stay, aligning with the value proposition and bolstering brand recognition.

Under physical evidence, there are mostly first-priority initiatives. These include a welcome treat, a sleep kit, and a signature scent. The **In-Room Welcome Treat** includes a personalized welcome letter or postcard with information and images of the Pestana Collection Hotels on the backside. Additionally, it includes a complementary Pastel de Nata to offer an authentic and delightful Portuguese welcome. This small but meaningful gesture introduces guests to the culture and heritage of the brand and connects them with the PCH’s identity.

Furthermore, during the benchmarking process and visits to direct competitors, a unique touch of bedside sleep well kits in the Infantes Sagres Hospes Hotel was found (Appendix H, Figure 5). Inspired by this idea it is proposed that the brand incorporate small details such as these to make each guest feel cared for and special. Therefore, a refined **Sleep Well Kit** is suggested. Presented in an elegant bag, it includes a notepad, pen, sleep mask, earplugs, lavender essential oil, and a QR code linking to Spotify playlists for relaxation. By catering to the importance of a restful stay, the sleep kit complements Pestana's luxury positioning, offering guests a thoughtful touch that elevates their experience and reinforces the brand's attention to detail.

Finally, as a second priority, the implementation of a **Signature Scent** across all Pestana Collection Hotels is suggested. Inspired by the distinctive fig scent at Pestana Plaza Mayor, this initiative aims to create a consistent olfactory experience that welcomes guests and strengthens brand recognition. This reflects the successful case of the Marriot hotel which was able to fortify its brand identity by creating iconic scents for each of its segments across the world (Fredericks, 2023). By permeating each hotel with this unique fragrance, Pestana can build an atmospheric and comforting environment that guests associate with the brand, fostering a sense of familiarity and warmth.

As a 3rd priority, **Décor Updates** are proposed to ensure each property's ambiance aligns with the PCH's heritage while maintaining modern elegance. Each hotel's décor should feature "wow moments" – unique art pieces, surprise design elements, or impressive visual focal points that leave a lasting impression on guests. For instance, collaborating with local artists and using the hotel space as a gallery may work to generate interest and buzz for the brands while also supporting local culture. This initiative reinforces the hotel's story, creating a memorable experience through distinct design that enhances the brand's luxurious appeal.

Incorporating these initiatives into the "Physical Evidence" element will strengthen PCH's brand identity and contribute to a high-quality guest experience. By establishing a consistent sensory atmosphere, enhancing guest comfort, and adding personalized touches, Pestana can elevate its physical presence, ensuring that each guest's stay is memorable and distinctly aligned with the brand's upscale identity.

6.2.4. People

People refer to those who work for the brand as well as the systems implemented to maximise their productivity. This is particularly relevant for the sector as the quality of service and guest experience is directly correlated due to the direct contact (Mary Wright, 2024). In the element of people in the marketing mix, five initiatives are recommended. These are key internal aspects imperative to the alignment of the value proposition (objective 1) which will contribute to the perception developed by guests throughout their experience.

Three Priority 1 initiatives are identified: **Internal Alignment & Communication, The Collection Standards, and Specialist Concierge Services**. Firstly, PCH has a significant opportunity to improve its internal communication, alignment, and overall standards implemented throughout the hotels in the brand. The primary research results found that meetings do not occur between management from different hotels to share knowledge and align plans to communicate doubts. Each hotel operates differently in all scopes: marketing, strategy, operations, and even financially. By fostering a higher degree of internal alignment, PCH can also transmit an equally more aligned external message. The lack of mutual support to those hotels whose processes are less well-defined hinders general brand growth. Encouraging the sharing of knowledge, learnings, and know-how can mutually benefit all the hotels. Therefore, the brand should implement regular meetings to ensure clear communication and collaboration between all hotels. In connection to this, the

implementation of *The Collection Standards* is suggested. These standards would work as an equivalent of the world-renowned Golden Standard implemented at the Ritz-Carlton hotels (Michelli, 2008). Each hotel under the PCH brand would be obliged to follow a guided list of behaviours, attitudes, and approaches with their guests to ensure each one has a unique and positive experience. The list is conceptualized with the differentiators of the brand at its core, meaning that this guide would incorporate unique elements to PCH as seen in Appendix H, Figure 6.

Finally, as a priority, each PCH should hire a Specialist Concierge, experienced and knowledgeable not only in the location of the hotels but also in understanding the needs of each guest. This will facilitate the execution of *The Collection Standards* and also allocate the majority of responsibility for personalized experiences as those developed in the product to one expert member of the staff.

As a third priority, two initiatives are proposed: employee recognition programs and feedback loops for improvement. Once the core aspects of operations and internal alignment are implemented, it is important to create a sense of trust and ownership in staff towards achieving the goals of the brand. The employee recognition program encourages the implementation of a program that pushes staff to go above and beyond due to their feeling of satisfaction and sense of fulfilment at work. The interviews to staff and management suggested that in hospitality the people are core to the success of each hotel, and particularly in the hospitality industry retaining talent is challenging due to the harsh conditions. When employees feel appreciated and motivated, it often translates into better service for the guests. Hence, implementing such initiatives may influence the quality of the overall service. Finally, in feedback loops for improvement, the goal is to allocate authority and responsibility to staff. In interviews with staff, it was clear that these receive a lot of direct feedback from guests. However, this feedback sometimes gets lost as they cannot directly act upon it.

Encouraging autonomy will allow for more immediate and real time improvement of service and in turn also provides a sense of empowerment to the staff.

Incorporating the described initiatives is key in ensuring that the identity and perception of who, and what the brand PCH is, is not only felt by those externally, but also those working internally to communicate it. If the management and staff are all aligned and understand the broader picture of PCH, the brand will have more success in communicating this to their guests.

6.2.5. Process

The process element of the marketing mix involves a high degree of complexity and detail which touches upon several of the elements previously mentioned in the rest of the marketing mix. In order to facilitate and visualize the understanding of the process initiatives suggest for PCH a blueprint which maps out the different key touchpoints throughout each guest's stay and where the brand must specifically pay attention has been developed.

A process blueprint “describes a business process, including details about the activities in the process, the people who perform or know about the activities, the milestones that activities are performed in, and so on” (Blueprinting a Process 2024). The service blueprint developed in Appendix H, Figure 7 aims to enhance the customer experience by providing a more cohesive and differentiated service across PCHs. It will focus on aligning front-stage activities, backstage activities and support processes to elevate the overall brand.

Focusing on the new initiatives, priority 1 and 2 recommendations as well as priority 3 for a more long-term period were developed. Firstly, PCH should focus on the creation of a **seamless booking** and **pre-arrival experience** through personalized pre-arrival emails and calls. The personalized pre-arrival emails would be sent a few days before the guests' stay requesting information about

their preferences, where they can select room preferences, additional services, and experiences to customize their stay. For premium guests, such as those with loyalty programs, staying in more premium rooms, implementing a personal phone call for prior to their arrival to enhance their experience is suggested. Secondly, it is essential to implement **check-out and follow up processes** as a first priority. The specific initiatives include **personalized check-out gestures and feedback surveys**. During check-out, staff should offer a heartfelt thank-you and asking for feedback in a friendly manner to understand guests' experience and make the departure feel warm and memorable. A couple of days after their stay, it is suggested staff send guests a follow-up email with an NPS survey to further understand their satisfaction and gather insights on potential improvements.

Finally, in a later period PCH can implement **follow-up gestures during the guests' stay** to ensure they are having pleasant experiences. This can be discretely done through an approach at the desk or casually asking during breakfast, ensuring they feel valued, and their needs are being met.

6.2.6. Price

Based on the information given about PCH hotel stays prices, the pricing strategy of PCH is dynamic, as it considers various factors such as: market shifts, demand fluctuations, and competitors' prices. The price range for PCH rooms is between €150 for a superior room and €2,500 for a suite, and the brand utilizes a sophisticated revenue management system called "Duetto". This software operates dynamically and continuously analyses the market shifts and demand functions. Moreover, the software takes into account other factors such as: the hotel location and the external market situation, and the hotel reviews and competitors' prices.

In the pricing of the strategy suggested in this report, the aim is to increase the revenue through the newly implemented ideas, where the prices are set using a value-based approach, while keeping the same pricing for hotel stays as it appears to be the most appropriate method for a hotel chain.

The pricing strategy has been developed for the new services provided with a basis on the existing pricing strategy implemented by PCH. It is based on two main objectives. The first is: Balancing market trends and differentiation. This is crucial to the sector. For instance, the demand plays an essential role in setting pricing which is considered expensive in a specific market when the demand is high, however, the hotel's occupancy rate is low. This means that the hotel could capture more value from the market, but it is not happening because the customers found better offers elsewhere or saw better value elsewhere. The second objective is to deliver customer value while ensuring profitability. In this industry, where customers seek unforgettable experiences and high-quality service, value-based pricing is particularly powerful. In fact, it enables the hotels to reflect their distinctive qualities which play a key role in elevating the guest experience. These could include luxurious accommodations, personalized services, or exclusive amenities.

In the case of PCH, the team aims to increase the demand for PCH through the introduction of unique products and services, to increase the value perceived by guests. Furthermore, we propose incorporating strategies such as cross-selling, bundling offers, up-selling, and direct booking incentives, which will enhance the value provided to the customers, generating a better overall experience while ensuring profitability. Incorporating a direct booking incentive will increase traffic on the website, which is beneficial to the brand as the associated costs are close to none. In **Table 1 – Appendix J**, we can observe the different level priorities, and the pricing strategies implemented for each new implementation.

CHAPTER 7 - COMMUNICATIONS PLAN

The research began with a careful analysis of the Iberian Hospitality Industry, emphasizing the sector's significance in Portugal. Then an internal and external evaluation of PCH and PHG was conducted, followed by thorough research, which led to crafting a Marketing Strategy tailored to address the proposed challenge. The following sections illustrate our strategy to achieve a breakthrough for PCH through effective and impactful communication.

7.1. Marketing Objectives

The primary objective for the marketing strategy and communications plan is to achieve a breakthrough with PCH, by elevating its brand awareness among the target audience. Currently, two key challenges may hinder progress toward this goal. The first challenge stems from the brand architecture of PHG, where PCH struggles to stand out as a distinct identity. Moreover, PCH faces a potential risk of brand identity contamination from other sub-brands within the Pestana Group. While some sub-brands target distinct market segments, for instance, Pestana CR7 appeals to a different clientele than Pestana Collection Hotels, there is a possibility of overlapping in certain cases. The greatest risk of contamination stems from Pestana Hotels & Resorts, which also includes four- and five-star properties.

The primary research revealed instances where negative experiences at Pestana Hotels & Resorts, particularly during the high-demand summer season when workforce shortages can impact service quality, led to unfavorable associations with the broader Pestana brand. Such experiences could discourage these clients from choosing Pestana Collection Hotels in the future, underscoring the importance of maintaining consistent brand perceptions across all sub-brands.

The second challenge involves the dominance of individual hotel brands over the overarching Pestana Collection Hotels brand. For example, properties like Pestana Palace Lisboa are more widely recognized than the PCH brand itself. These issues, coupled with heightened competition in the premium hospitality segment, highlight the need for a cohesive, targeted marketing strategy that reinforces PCH's unique value proposition and premium positioning.

7.2. Campaign Objectives

7.2.1. Target Audience and Action Objectives

The definition of the target audience is based on two criteria. The first is buyer behaviour, where the primary focus is on FBSs and OBLs, with OBLs as a secondary priority. For the primary target, the aim is to reach individuals who are unfamiliar with PCH, or who don't usually stay at PCH properties. Expanding brand awareness among this group is crucial to attracting new clientele to PCH. Additionally, by targeting the FBS segment, we intend to strengthen their brand attitude, encouraging repeat stays and driving sales.

The second criteria involve demographic and psychographic profiling. The target "affluent individuals aged 60 and above, primarily from the USA, Portugal, Brazil, and the UK, who travel for leisure purposes and seek premium hospitality experiences. The secondary target consists of individuals aged 45 to 60, sharing similar psychographic and demographic traits but distinguished by their greater tech-savviness and preference for digital engagement."

In terms of Action Objectives, tailored goals have been set for different stages of the customer journey. For pre-purchase, the objective is to generate interest in PCH among OBSs and OBLs through engaging social media content and an optimized website experience. For the purchase phase, the goal is to encourage the entire target audience to select PCH as their preferred choice

when traveling to different destinations. Lastly, in the post-purchase phase, the aim is to motivate previous PCH guests to share positive reviews on platforms like Booking.com, TripAdvisor, or travel agency websites, and to engage in positive word-of-mouth, both online and offline.

7.2.2. Communication Objectives

This campaign is designed to achieve three brand-related communication effects within the target audience's mind: Increase brand awareness and attitude and generate brand purchase intention. For brand awareness, the focus is on brand recall. The aim is to create a pre-purchase impact by building awareness earlier in the customer journey so that PCH becomes their preferred choice when making a reservation. Simultaneously, the campaign should create a favourable brand attitude among the target audience, since primary research revealed that our target audience struggles to view PCH as a cohesive brand and to associate it with premium services, which is the purchase motive for upper upscale hotels.

Finally, the campaign aims to generate brand purchase intention. Booking a high-end hotel is a high-involvement decision, requiring clients to form a conscious intention, as result of the campaign. By establishing a strong, premium brand perception, the campaign will guide clients toward making a confident booking decision with PCH.

7.3. Creative Strategy “Step Into a Different World”

The creative strategy should focus not only on selling the product, in our case, rooms and other services such as bundles and add-ons, but also on the overall experience. This strategy should bear in mind the Behavioural Sequence Model, the creative target, action, and communication objectives, and relate it to the best-suited media for this target and purpose. The creative idea “Step Into a Different World” aims to implicitly present our key benefits and applicable across different

media and geographic markets, with the following positioning statement “To affluent travellers seeking unique and enriching experiences, Pestana Collection Hotels, a premium hospitality brand, offers unparalleled stays in exclusive, historically rich properties that provide personalized, luxurious experiences, because our heritage-inspired properties, tailored services like pillow menus and touristic guides, and the unified brand experience ensure a memorable and transformative escape. The campaign is composed by different assets (video and images), which illustrate the “Step into different a world” concept. The main characteristic of the campaign is a unique and aggregating video that shows the wonders of staying at any PCH hotel, its personalized experiences and its exclusive and singular properties. It will refer to the heritage and the historical value provided in the buildings where the hotels are situated. Beyond this, stepping into a different world means a world where almost everything is possible, demonstrating the pillow menus, tourist guides and other experiences valued by our target audience. The video and images should communicate PCH as a unified brand, hence why the **content repurposing** strategy proposal, which involves adapting existing content to various formats or audiences, maximizing its reach and effectiveness while saving time and resources.

7.4. Integrated Communications Strategy

The Behavioural Sequence Model (Appendix I, *Table 1*) and the creative brief are interconnected as the BSM serves as a foundation for the creative brief by pinpointing the key behavioural stages and motivations that influence consumer decision-making. Through the BSM, mothers and fathers planning family trips, as well as couples seeking romantic getaways, were identified as the primary influencers, decision-makers, and users.

This insight directly guides the campaign's visual identity, tone, action and communication objectives, as well as the media strategy and messaging. The campaign is tailored specifically to

leisure travelers—couples and families—comprising men and women aged 45 to 70, who value the fine details of luxury tourism, with high incomes from Portugal, the UK, the USA, and Brazil.

7.5. Media Strategy

The media strategy is divided into two parts: The first and most relevant is the “Step into a new world” campaign. The second part is the ongoing and more broad strategy, which complements the core campaign. However, it’s important to keep a coherent line so that the messages do not interfere with each other. With the challenge in mind, there must be a streamline and concise strategy across several touchpoints, for the target audience to start associating PCH as a unified identity. As mentioned in the creative strategy section, the video will be adapted to fit different formats, according to each media specificity.

Pestana Collection Hotels’ priority is to improve the overall structure and layout of the website. PCH is part of PCG and therefore, the landing pages should have the same layout and structure. The suggestion for the promotion on the **website** would be to display a hero video on PCH homepage. A hero video is a section that occupies the full width and height of the screen at the top of a webpage that includes a video or dynamic visuals. This type of content would be extended to PHG website architecture, to create seamless navigation in all the group’s sub-brands. Following the “Step into different a world” storyline, the snapshots will showcase the different hotels and PCH. Besides emphasizing PCH as unifying identity, this type of content elevates User Experience and incentivizes longer periods on website.

The second priority promotional activity involves showcasing the campaign through up to 10 **digital billboards** in affluent neighbourhoods of Lisbon and Porto, featuring the engaging video

content. While PCH typically does not utilize this type of traditional media, we wanted to explore how this approach can enhance brand awareness among our target audience in Portugal. Benefits include high visibility & wide reach, casting a wide net in specific neighborhoods, alternatives channel, test campaigns for future (geography/other campaigns). However, traditional media is generally more costly, as we will mention in the media budget section. There are also limitations regarding locations and targets, limiting the promotional activity tracking.

The ad will also be placed on target and exclusive **display ad locations**, to boost the visibility of the campaign. The video and images will focus on outside experiences and will be directed to clients who prefer to walk around and get a sense of the city they are visiting (*cluster 1.2*). On the other hand, the clients who prefer in-house experiences like spas will be shown more images of the hotel's properties and amenities (*Cluster 1.3*). By being promoted on relevant websites, such as national and international newspapers, the brand will benefit from high-reach and positive brand associations. Moreover, this media tends to have high traceability and allows to rapidly change the factors that impact the display, whether it is the number of people being targeted or CPM.

Lastly, regarding **Social Media**, the focus should be on advertising "Book now paid ads", with the support of the creative agency FUEL, besides the year-round organic content. This initiative will boost visibility, increasing brand awareness, followers, and engagement of the campaign via paid ads on social media, on Facebook, and Instagram. Shorter versions of the campaign will be advertised on social media with paid ads, to reach a specific audience and attract attention to @pestanacollections.hotels. This is mostly targeted to the *Cluster 2.2 (Appendix G)*.

The additional media planning emphasizes enhancing ongoing activities already implemented by PCH while introducing targeted recommendations to improve their effectiveness. Consistent with the campaign's overarching strategy, there should be a stronger focus on social media efforts,

particularly aimed at *Cluster 2.2* clients. Firstly, the names of each hotel should be added in the Bio of the main account to create the immediate association between the brands and the hotels. Secondly, PCH should invest gradually in paid ads. While PCH currently employs shadow ads—digital advertisements used for specific targeting and testing purposes without broad public visibility—paid ads are essential to provide the necessary visibility boost. Lastly, FUEL must continue its excellent job in terms of high quality on the pages, prioritizing content aligned with key differentiating factors, namely heritage, personalized experiences, or location.

For the *Cluster 2.1* clients, **email marketing** should be seen as an opportunity to promote PCH as a unified brand. Email marketing, strongly directed to current customers, allows for targeted marketing with personalized content based on past preferences, encourages website visits, and allows for tracking results and gathering of insights.

Next, in line with the campaign addressed earlier, **display ads** are a great method to boost the awareness of the brand, for example on the websites of Lifestyle & fashion magazines (Vogue, GQ), News (Forbes) or Booking websites (Booking.com). Other advantages of this tool are its relatively good cost-effectiveness and high trackability, as mentioned earlier.

The following two initiatives would be long-term, meaning they fall under third-priority objectives. As social media becomes increasingly relevant it's crucial to engage in influencer marketing, partnering with travel blogs and influencer accounts, targeting the upscale segment and enlarging our presence internationally. These partnerships might be beneficial in highlighting the exclusivity, heritage, elegance and authenticity PCH aims to portray. Besides boosting room reservations, it will also make the F&Bs more recognizable to other types of audiences. One example of a blog post would be **Mr. & Mrs. Smith** posting “A weekend in Madrid”, to invite the readers to spend

their afternoon drinking a *caña* on Pestana Collection Plaza Mayor’s rooftop to get views of the city centre, in one of the most iconic places in Madrid.

The last promotional suggestion would be to keep investing on **events** and intensifying these activities, according to seasonality and demand, leveraging on the hotel facilities and its locations. Therefore, implementing more events throughout the year, namely during spring & summer when the location can be taken advantage of. Another suggestion is to host external events such as the candlelight concerts or similar events along all the hotels that have events-dedicated spaces, such as Palácio do Freixo, Pestana Palace or Cidadela Cascais. Additionally, to external events, there should be more in-house events. One example would be Collection Evenings, a cocktail and networking event where attendees can be guests or non-guests from the hotels. A suggestion of the cocktail menu would be Gin for Palácio do Freixo, Porto Wine at Pestana Vintage, Pestana Brasileira would serve their home-made Coffee infused liquor, Cidadela would have as a signature cocktail rum with fresh flavours, Pestana Palace could serve liquor and lastly, Pestana Plaza Mayor would serve Marianito. As sponsorship event, already carried out in the industry, is the display of art of up-and-coming artists. Their new pieces could be featured in specific rooms or divisions of the hotels. We believe that the Cidadela Cascais Art District could be the starting point for this initiative, due to its closeness to the art movements.

7.6. Promotion budget and implementation

The media budget and implementation plan for the Step into a Different World campaign span three years (2025–2027) with strategic engagement through social media ads (Facebook, Instagram), display ads, YouTube ads, billboards, and a hero video on the website. Detailed monthly allocations for 2025 (*Appendix I, Table 3*) outline costs for the primary campaign and

supporting promotions, ensuring year-round brand visibility while aligning with the seasonality of the hospitality industry.

The campaign is primarily active from March to October each year, with peak spending during the second and third quarters to coincide with high travel season in Portugal. Social media ads are a steady investment, while display ads, YouTube ads, and billboards are concentrated from May to July. In off-peak months, smaller budget supporting promotions maintain brand visibility. The second quarter consistently has the largest share of the budget, aligning with vacation planning and booking habits. Minimal resources are allocated in the fourth quarter to maintain brand visibility during the winter months.

The implementation plan runs from March to October, with continuous social media ads to build awareness and a permanent hero video on the website from January. Display ads run from March to September, and YouTube ads from April to August. Billboards are displayed from May to August in high-visibility locations. Supporting promotions are active in January–February and October–December to maintain brand momentum throughout the year.

7.7. Campaign Tracking

The tracking of the Step into a Different World campaign is designed to comprehensively evaluate the effectiveness of each media channel through defined Key Performance Indicators (KPIs) and measurable goals. At a high level, the campaign tracking aims to assess the evolution of market share in terms of both volume and value, while monitoring brand awareness, focusing on recall. This approach analysis ensures that the campaign's broader impact is effectively assessed.

For social media, the focus lies on engagement metrics such as likes, follows, and shares, alongside conversions driven by direct bookings through social media links. The goal is to grow the follower

base from 8,000 to 10,000 over the course of the campaign while improving overall engagement and driving conversions. This ensures that the campaign not only enhances visibility but also directly impacts customer actions.

The website serves as a central touchpoint for the campaign, with KPIs including traffic metrics to track and compare the volume of visits before and during the campaign, engagement metrics such as the average time spent on the site, and conversion rates to assess how many visitors complete the purchase funnel. Additionally, the campaign will monitor video views and the bounce rate to gauge overall user experience. The overarching goal is to increase traffic, extend the average time spent on pages, and improve user engagement while reducing the bounce rate.

Out-of-home (Billboards) are another critical component, with their performance evaluated by tracking website and social media traffic during the campaign period. The aim is to use this offline medium to enhance online interactions, creating a seamless integration between physical and digital touchpoints.

KPIs for email marketing include email Open Rates, Click Through Rate (CTR), and Conversions from email campaigns. The objective is to improve all these metrics, ensuring email remains a valuable tool for engagement and conversion.

Events are included as a strategic element to strengthen the brand's presence and encourage community interaction. Key metrics here include attendance rates, as well as social media impressions and mentions during and after each event. The goal is to achieve high and progressively increasing attendance rates while amplifying social media mentions of PCH.

Partnerships with blogs provide an opportunity to attract a broader audience, especially in the F&B sector. KPIs for this partnership include referral traffic from blog posts and engagement with

content shared on social media. The aim is to improve these metrics, leveraging blog partnerships to attract a diverse range of customers.

Lastly, the Step into a Different World campaign is evaluated on its overall impact. The primary KPIs include Return on Investment (ROI) and the collective performance of all media channels. The ultimate goal is to boost brand awareness and engagement with PCH, resulting in higher sales and long-term brand growth.

CHAPTER 8 – FINANCIALS

Portugal's hospitality industry has grown significantly because of rising demand for luxurious accommodation from both domestic and foreign travelers. This pattern highlights Pestana Collection Hotels' chance to use its own brand positioning. In creating these financial estimates, we assume that the industry will continue to have a favorable outlook and account for any obstacles that might emerge because of changes in the market or the economy.

8.1. Assumptions made

Operating expenses and general and administrative are expected to remain constant from 2025-2027. General and administrative expenses are anticipated to account for 5% of total revenues, while the Cost of Goods Sold is estimated to represent 10% of the total revenue. This estimation is since it accounts for all hotel services, but also some Food and Beverage operations, which Pestana Collection Hotels deeply relies on in each hotel. Moreover, general promotion costs are assumed to remain at €10,000 per month, for the FUEL agency.

Regarding the occupancy rate, it has been assumed from the information that on average PCH's occupancy rate is 80%, annually. Consequently, the occupancy rate ranging from 70% - 85% has been elaborated, varying per quarter. For quarter 1, which represents the period between January

and March, the occupancy rate is 70%, for quarter 2, which represents the period between April and June, the occupancy rate is 80%. For the last two quarters of the year, occupancy rates are 85% and 80%, respectively. On the other hand, since the occupancy costs include factors, such as rent, insurance, depreciation, and amortization, it is estimated to represent 10% of the total revenue.

Regarding the In-room extra comfort additional service, 15% of PCH guests are assumed to be interested, with a price set through benchmarking. Following the reported strategy, PCH will be buying the exact same units that we will be selling, assuming the costs to be the price of producing the bedding sets from a Portuguese local supplier, without VAT taxes, which represent 23%.

Redesigning PCH's websites is one of the suggested digital projects' goals to enhance user engagement and experience. After some online research, it has been estimated that a standard website redesign typically requires around 360 hours of work. Assuming PCH website is less complex, it could take around 320 hours of work, which also represents around 13 working days, needed at an estimated cost of €30 per hour, assuming a partnership working with a freelancer. The total projected cost of redesigning would be € 9600,00.

Regarding the tax rate: A 21% tax rate, representing a flat corporate income tax for companies established and operating in Portugal, has been estimated (**Figure 5 – Appendix J**).

Profit and Loss Statement

To prepare this Profit and Loss (P&L) statement, internal information provided by PCH, along with the assumptions outlined below, were utilized (**Figure 2 – Appendix J**) **Sales** were estimated using the occupancy rate for each quarter, the total number of rooms (822), and using the average price of the rooms under PCH, before calculating the monthly revenues. The provided range of prices is: €150 for a superior room to €2,500 for a suite, resulting in an average price of € 1 325,00. PCH

sales are distributed through different channels; 30% goes to the direct channels, 41% goes to all online platforms, and 29% goes to third-party sales. Effectively, any intermediary will have a commission fee on the sales, Using the information received, a commission fee of 17% for all OTAs and 10% for third-party sellers has been set.

Additional sources of revenue, an additional amount of €200 for Sateen or Linen bed settings, where the cost is estimated at €30 - €8,4 (VAT) = €21,6 per bedding set. Regarding guided location-based experiences, revenue is assumed to stem from a 20% commission fee typically charged by travel agencies such as GetYourGuide for customer acquisition.

Following on **the implementation of the suggested ideas**, the monthly salary of a concierge is projected at €1,300. Additionally, the cost of hiring an interior designer with a minimum of three years of experience is estimated at €30,000 annually, or €2,500 per month.

To enhance the guest experience, a “Welcome Pack” is proposed, comprising a drink, a regional pastry, and a postcard. The estimated cost of the welcome drink is €0.13 per unit, while the regional pastry is projected to cost €1 per unit, assuming collaboration with local pastry makers or in-house production. The total cost of the welcome packs has been calculated based on an assumption of two guests per room and the projected occupancy rate.

8.2. Scenario & Contingency Plan

Pessimistic Scenario: Political tensions between the United States and the European Union followed by political instability in the U.S.

We assume that this event will increase inflation all over the world, which will reduce the purchasing power of consumers, and decrease international flights and trips. Consequently, the hospitality sector will be heavily affected, and we estimate the occupancy rates of each quarter to

decrease by 30%. Therefore, we expect a loss of revenue from room upgrades of 5%, reducing the overall revenue that has been generated from premium services, and a decrease of 10% in the revenue from guided tours. **(Figure 7 – Appendix J)**

Optimistic Scenario: Tourism activity in Portugal keeps increasing exponentially, representing a 1% growth each year. This scenario is an assumption based on our findings about the growing hospitality industry in Portugal.

The annual growth in tourism activity in Portugal would present various benefits such as the effectiveness of the services and marketing plan launched in 2025 by the PCH team boosting the popularity of the hotels and increasing both the occupancy as well as adherence to the services provided. We project an increase of 5% in the occupancy rate of each quarter, as well as a rise in PCH in-house experiences and room upgrades of 10%, and an optimistic increase of 20% for guided location-based tours. **(Figure 9 – Appendix J)**

8.2.1. Contingency Plan

By having a contingency plan, PCH can successfully adjust to unforeseen circumstances while preserving operational stability and customer satisfaction. Specific strategies for optimistic scenarios will be suggested to reduce risks and take advantage of any growth opportunities.

In the **pessimistic scenario**, the yearly occupancy rate is expected to fall from 79% to around 49%, the yearly revenue is estimated to decrease from € 10 292 467,50 to € 6 371 527,50, an estimated decrease of 38%. Optimization of costs will help maintain cash flow, during low-demand periods; while cutting back on some non-essential advertising campaigns or operational improvements, such as the website redesign (€9,600). Moreover, offering more discounts or bundled packages for direct booking will increase occupancy rates while minimizing any OTA commission fees (17%

on OTA sales). Furthermore, targeting local and regional markets during this crisis might be a good strategy to minimize the consequences of negative external events. (**Figure 8** – *Appendix J*)

In the **optimistic scenario**, which represents an important growth opportunity, the yearly occupancy rate is expected to increase from 79% to 84%, the yearly revenue is estimated to increase to € 10 945 957,50, an increase by 6.3% .PCH should invest in the expansion of premium offerings and guided-local tour experience customization, to capture the increase of the willingness to spend of customers in this scenario. Moreover, PCH should increase the budget for digital advertising initiatives aimed at global customers, especially amongst its key markets, to boost direct sales, and expedite the website redesign project. Furthermore, for revenue diversification purposes, ensuring the implementation of our new ideas and enhancing customer experience. Lastly, optimizing staff scheduling and room allocation would help manage the expected increased occupancy (85% maximum estimated occupancy rate in this scenario), while guaranteeing smooth guest experience during busy times. (**Figure 10** – *Appendix J*)

CHAPTER 9 - CONCLUSION

The comprehensive theoretical, internal, and external analysis carried out during this study provided us with the resources we needed to handle the difficulties and opportunities surrounding the Pestana Collection Hotel. This methodology has enabled a more in-depth grasp of qualitative and quantitative methodologies, resulting in the effective alignment of vital insights with the overarching goal of delivering a revolutionary breakthrough for the brand.

The critical thinking and recommendations offered in this work are interconnected and respond cohesively to the specified objectives. This comprehensive strategy aims to increase Pestana Collection Hotels' brand visibility, attract new consumers, and eventually grow revenue, thus solidifying its position in the competitive upper-upscale hospitality industry. The exploratory study

showed a number of major problems, including the need for personalized experiences, the strategic use of legacy and location, and the need to address gaps in brand identification and consumer satisfaction. These insights have helped to generate practical solutions that can improve the brand's recognition, operational efficiency, and long-term success.

To summarize, the goal of this paper, which was to present concrete ways to solve the aforementioned difficulties, has been met. The implementation of the recommended recommendations will allow Pestana Collection Hotels to develop a better market position and achieve long-term growth.

CHAPTER 10 - MARKETING OBJECTIVES

Boosting brand awareness among the target audience is essential for PCH to reach its full potential and become a top-of-mind choice for high-income guests who appreciate the refined details of luxury hotels. Currently, two factors may be limiting this marketing objective. First, PCH lacks a distinct identity from other sub-brands of the group (Figure 1). This lack of clear separation can blur PCH's distinct positioning and diminish its perception as a premium brand, as its image becomes intertwined with other offerings that do not reflect the same level of exclusivity. Second, iconic properties such as Pestana Palace Lisboa or Pestana Palácio do Freixo are often recognized on their own rather than as part of Pestana Collection Hotels brand. These two factors prevent PCH reaching its desired target market.

CHAPTER 11 - TARGET AUDIENCE

The target audience refers to the “group of individuals whose purchasing behavior is most likely to contribute to the success of a marketing campaign” (Rossiter, Percy, Bergkvist 2018). As mentioned by the same authors, it is common to divide the target audience into two groups. The

primary target is expected to contribute with the highest volume of sales, whereas the secondary target may contribute with additional sales, but it is not for whom the campaign is directed. For Pestana Collection Hotels (PCH), the target audience has been segmented by age, nationality and behavior. The primary target comprises affluent individuals aged 60 and above, primarily from the USA, Portugal, Brazil, and the UK, who travel for leisure purposes and seek premium hospitality experiences. The secondary target consists of individuals aged 45 to 60, sharing similar psychographic and demographic traits but distinguished by their greater tech-savviness and preference for digital engagement. Behaviorally, the primary target audience consists of *Other Brand Switchers (OBS)* and *Other Brand Loyals (OBL)*. These groups are pivotal as they represent individuals who are either dissatisfied with their current options or are open to exploring alternatives, making them more likely to consider PCH. The *OBS* are customers who occasionally switch between brands but remain loyal to other competitors, while *OBL* are customers who consistently choose a competitor brand but could potentially be influenced to switching. Focusing on such audiences offers high potential for growth as they exhibit a willingness to experiment with new options, especially when presented with value-driven propositions like PCH's unique offerings (De Pelsmacker, Geuens, Van den Bergh 2021). This segmentation allows PCH to target individuals who are already familiar with similar brands but are open to trying new alternatives. Given the highly competitive landscape in the hospitality sector, these groups are the most likely to respond positively to a breakthrough campaign that emphasizes differentiation and exclusivity, which are key to PCH's value proposition. On the other hand, the *Favorable Brand Switchers (FBS)* have been selected as the secondary target audience. These individuals are already inclined to try different brands, but their loyalty is less fixed. They might have a general positive attitude toward PCH's offerings but will require additional incentives or persuasion to fully commit. This audience is particularly useful for building awareness and providing a steppingstone for future sales.

Since FBSs are open to exploring alternatives but still anchored in their habitual choices, they represent a low-risk segment for trial campaigns that could potentially evolve into long-term loyalty.

CHAPTER 12 - ACTION OBJECTIVES

“Action objectives is a measurable action the manager expects the target audience to do as a result of a marcoms message.” (Rossiter, Percy, Bergkvist 2018). Our pre-purchase action objective is to generate interest in PCH among *OBSs* and *OBLs* through engaging social media content and an optimized website experience. According to Rossiter et al. (2018), pre-purchase behaviors aim to create awareness and interest among potential customers. This phase involves getting the target audience to consider the brand and take action that leads them closer to a trial. In line with theory, using a good creative strategy, effective communication and using digital channels allows PCH to create awareness and interest by providing information and experiences that resonate with these audiences. For the purchase phase, the objective is to encourage the target audience to select PCH as their preferred choice when traveling to different destinations. Encouraging a purchase decision through the entire target audience increases the probability that these customers will move forward with a booking, ensuring that those already familiar with the brand and those considering it for the first time feel motivated to finalize their bookings. In the post-purchase phase, the action objective is to encourage previous PCH guests to share positive reviews and engage in word-of-mouth marketing. Encouraging positive reviews on platforms like Booking.com and TripAdvisor, as well as word-of-mouth recommendations, can lead to increased brand loyalty, repeat business, and an enhanced brand reputation. This is particularly important in the hospitality industry, where trust and reputation are key drivers of customer acquisition. Positive reviews act as social proof and further solidify the brand's credibility, encouraging potential customers to choose PCH in the future.

CHAPTER 13 - COMMUNICATION OBJECTIVES

Theory states communication objectives as the “communications effects that are targeted by the campaign. Brand awareness and brand attitude are the two necessary communication objectives for each campaign.” (Rossiter, Percy, Bergkvist, 2018) Brand recall occurs when consumers remember a brand when thinking about a product category. By raising awareness before their decision-making, the campaign helps customers associate PCH with quality and premium services, key factors in their choice. The second objective, creating a strong brand attitude, is necessary as the target audience struggles to view PCH as a cohesive brand associated with premium services. According to Rossiter et al., brand attitude is shaped by a buyer’s evaluation of a brand’s ability to meet their purchase motives, such as luxury and exclusivity. By focusing on brand attitude, PCH will position itself as a desirable option in the upscale hotel sector. Finally, driving brand purchase intention involves encouraging customers to take the final step and book a stay. This step aligns with the decision to motivate customers to consciously choose PCH. Given that high-end hotel decisions involve significant planning and consideration of factors like quality and reputation, positioning PCH as a premium choice will drive intentional decision-making. The High-Involvement Model (Rossiter, Percy, Bergkvist, 2021) is relevant for our campaign as luxury hotel decisions are high-involvement by nature. The first step is to increase brand awareness, ensuring PCH is top of mind when customers begin searching for luxury hotels. This supports the cognitive stage, where consumers gather information about PCH. Once awareness is established, the next step is to create a positive brand attitude, addressing the audience's challenge of associating PCH with premium services. This campaign will shape that attitude through curated content and visuals that reflect PCH’s luxury qualities. In the final stage, purchase intention is formed. As consumers move through the cognitive, affective, and conative stages, our campaign aims to drive customers from

brand awareness and positive attitude to making a reservation, solidifying PCH as the ideal choice for their next stay.

CHAPTER 14 - POSITIONING STATEMENT

Based on the creative strategy “Attention-getting way to dramatize the brand or brand-item’s key benefit claim.”(Rossiter, Percy, Bergkvist, 2021) a positioning statement was developed: To affluent travelers seeking unique and enriching experiences, Pestana Collection Hotels, a premium hospitality brand, offers unparalleled stays in exclusive, historically rich properties that provide personalized, luxurious experiences, because our heritage-inspired properties, tailored services like pillow menus and touristic guides, and the unified brand experience ensure a memorable and transformative escape. The key benefit claim for PCH is that it offers a "premium, personalized experience that takes you into a different world."

CHAPTER 15 - CREATIVE STRATEGY “STEP INTO A DIFFERENT WORLD”

Our creative idea, "Step Into a Different World," dramatizes the key benefit by presenting PCH hotels as not just places to stay, but as immersive experiences that transport guests into a world of luxury. The ad will showcase the beauty of the hotels’ heritage, exclusive services like pillow menus, and personalized touristic guides, which cater to our target audience's desires for comfort and luxury. This idea is designed to grab attention and be highly relevant to the target, ensuring that it is memorable and engaging across various media. Our campaign aims to increase brand awareness and improve brand attitude. Awareness is raised by using visuals and messaging that highlight PCH’s uniqueness in the luxury hotel sector. By consistently presenting PCH as the ultimate luxury experience, the campaign builds a positive brand attitude. Through curated content and emotional storytelling, we emphasize PCH's superior quality and personalized approach,

aligning the brand with the values of our high-end target audience. We will use a compelling video that incorporates stunning visuals of the hotels' heritage and exclusive offerings. This will be complemented by clear, concise messaging that communicates the key benefit in a way that resonates with the audience. Attention is further maintained through a content repurpose strategy, ensuring that the campaign is adaptable to various formats and channels, reaching a broader audience while maintaining the core message.

CHAPTER 16 - INTEGRATED COMMUNICATIONS STRATEGY

The Behavioral Sequence Model (BSM) highlights critical touchpoints where marketing communications can influence behavior. The creative brief leverages this insight to focus the communication strategy on specific stages of the BSM, ensuring that the message aligns with where the audience is in their journey. The campaign aims to increase brand awareness among families and couples seeking luxury travel experiences. By targeting consumers in Portugal, the UK, the USA, and Brazil, we ensure that our ads are seen by those who are likely to be planning family vacations or romantic getaways. This connects directly with the goal of making the target audience aware of PCH as the ideal destination for their next trip. Following awareness, the next stage is knowledge, where the consumer seeks information about the brand. The creative brief helps to shape the messaging that addresses the target's need for detailed, high-quality experiences. Our campaign's visual identity and messaging reflect the luxury and exclusivity that will appeal to the target audience's values. The key benefit claim will communicate the premium, personalized experience PCH offers, ensuring the target understands what differentiates PCH from other luxury hotels. The campaign's emphasis on tailored luxury experiences, fine details, and exclusivity will contribute to creating a positive attitude towards PCH. The BSM highlights that forming an emotional connection with the brand is critical at this stage.

CHAPTER 17 - MEDIA STRATEGY

PCH own media strategy includes a hero video on the PCH homepage as a key promotional strategy. High-quality multimedia content, such as videos, is highly effective in engaging consumers by capturing their attention immediately and enhancing the user experience (Rossiter, Percy, Bergkvist 2018). Such content resonates with the target audience, providing rich and immersive visuals that contribute to a more engaging digital experience. OOH advertising is particularly valuable for creating high visibility in targeted locations, as it is effective in building brand awareness among affluent or geographically specific segments. This aligns with our strategy to utilize digital billboards in high-traffic neighbourhoods of Lisbon and Porto to engage a well-defined audience. For display advertising, the value of placing targeted ads on trusted websites, such as lifestyle and news platforms (De Pelsmacker, Geuens, Van den Bergh 2021). These authors highlight how display ads can achieve broad reach and enhance visibility among specific audiences, driving both awareness and engagement. Additionally, they stress the importance of tailoring visuals to align with audience interests, such as showcasing outdoor experiences for cluster 1.2 clients who value exploring their surroundings. Social media advertising also plays a pivotal role in our strategy. Paid advertising on platforms such as Facebook and Instagram can significantly enhance audience engagement, particularly when integrated into a broader digital marketing strategy (Gupta, Davin 2019). They highlight the importance of using targeted ads to reach specific audience segments based on interests, behaviours, and demographics, which aligns with our focus on targeting specific clusters within the PCH audience. Email marketing provides another effective communication channel for PCH, since it allows brands to directly engage customers with tailored messages, leading to higher conversion rates (De Pelsmacker, Geuens, Van den Bergh 2021). In the luxury hospitality sector, influencer marketing has been recognized as a powerful method to

enhance brand equity as they help associate brands with credibility and trust (Rossiter, Percy, Bergkvist 2018). For this reason, we recommend collaborations with high-end travel bloggers, such as Mr. & Mrs. Smith. Finally, hosting events aligned with the brand’s identity—such as art displays, exclusive tastings, or seasonal gatherings—can enhance its appeal to targeted audiences (Percy, Rosenbaum-Elliott 2021).

CHAPTER 18 - PROMOTION BUDGET AND IMPLEMENTATION

The *Step into a Different World* campaign’s [promotional budget](#) is structured to align with the seasonality of upscale tourism while ensuring consistent annual visibility. Spanning three years (2025–2027), the campaign strategically balances peak travel season efforts with off-season brand engagement. The total annual budget decreases slightly over time: €69,597 in 2025, €68,397 in 2026, and €63,284 in 2027, reflecting efficiency gains and optimized resource allocation. The primary campaign activities focus on digital and offline promotions, with significant investments in social media ads (Facebook and Instagram), YouTube ads, display ads, and billboards during the peak months of March to October. Offline efforts, such as billboards in high-traffic areas, enhance visibility during summer, while digital ads maintain engagement across platforms. Supporting promotions in January, February, and late Q4 ensure continuous brand presence during off-peak periods. This phased and cost-efficient approach enables Pestana Collection Hotels to maximize impact during critical booking windows while maintaining a consistent presence throughout the year, effectively targeting affluent international travelers.

CHAPTER 19 - CAMPAIGN TRACKING

Key Performance Indicators (KPI) tied to brand awareness and brand recall serve as core metrics for evaluating the campaign’s success in embedding PCH within the consumer’s consideration set (Rossiter, Percy, Bergkvist 2018). Digital channels, such as the website and social media, are

monitored through click-through rates (CTR), conversion rates, and user behavior metrics like time on site and bounce rates (Gupta, Davin 2019). Social media performance is further assessed via follower growth, likes, shares, comments and direct bookings generated from ads. Out-of-home (OOH) advertising, such as digital billboards, is evaluated by tracking indirect effects, including spikes in website traffic and social media engagement during the campaign period. Email marketing KPIs include open rates, CTR, and email-driven conversions, measuring the effectiveness of personalized communication strategies (De Pelsmacker, Geuens, Van den Bergh 2021). Events and partnerships are analyzed through attendance rates, social media impressions, and referral traffic, providing insights into community engagement and brand amplification. Influencer collaborations are tracked using metrics like engagement, referral traffic, and earned media value. Finally, the campaign's overall success is determined by ROI and the aggregated performance of all media channels, offering a comprehensive view of its effectiveness.

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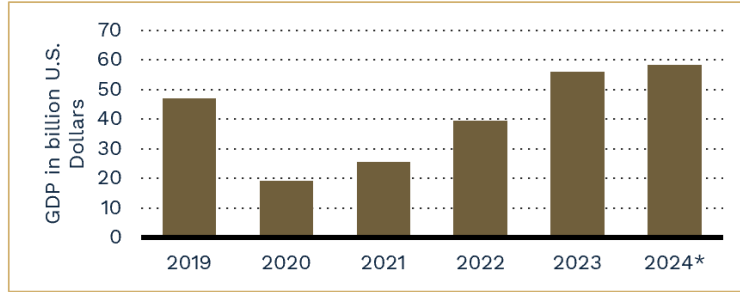
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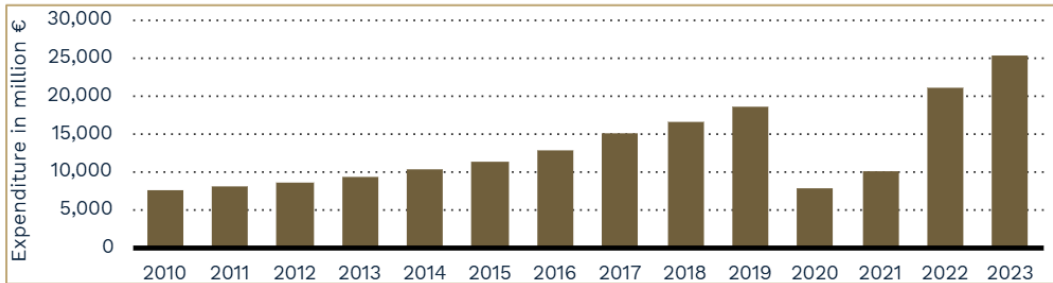
CHAPTER 21 – APPENDIX

Appendix A: Hospitality Industry Overview

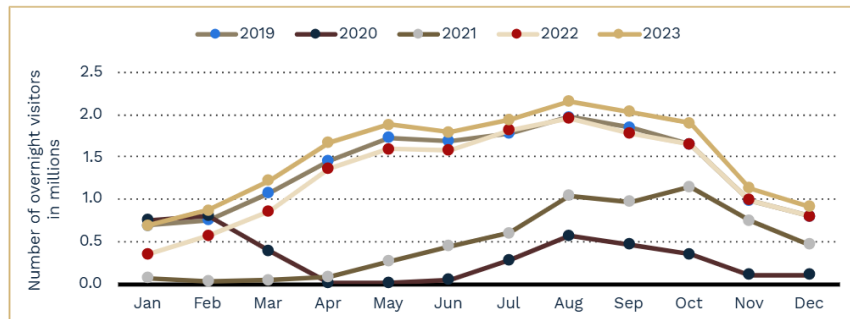
Graph 1 - Tourism contribution to gross domestic product (GDP) in Portugal 2019-2024
Source: World Travel & Tourism Council (2024)



Graph 2 - Inbound tourism spending in Portugal 2010-2023
Source: World Travel & Tourism Council (2024)



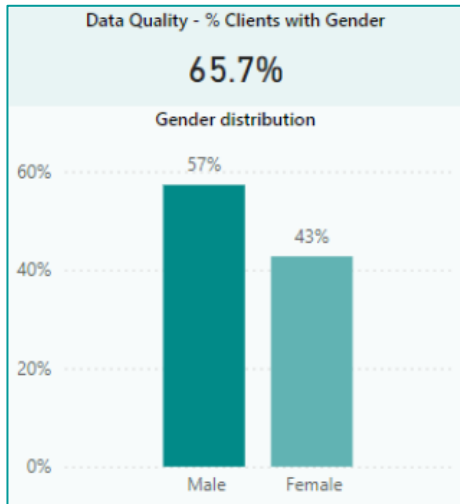
Graph 3 - Monthly number of foreign guests at lodging establishments in Portugal 2019-2023
Source: Statista (2024).



Appendix B: 5C's Analysis

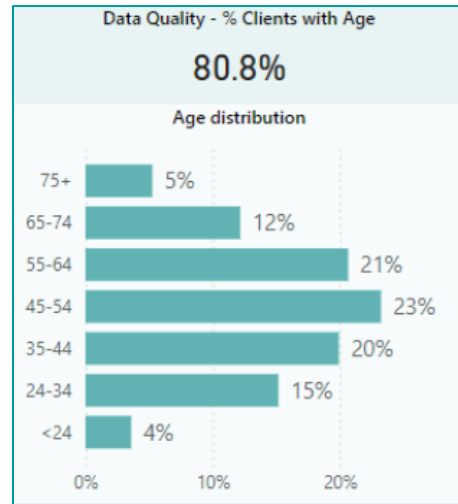
Graph 1 - PCH Gender distribution

Source: PHG (2023).



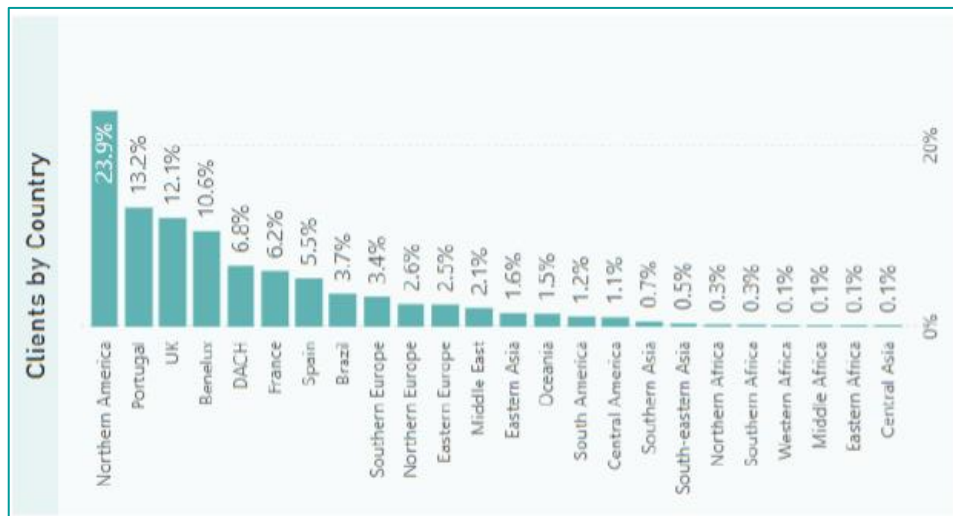
Graph 2 - PCH Age distribution

Source: PHG (2023).

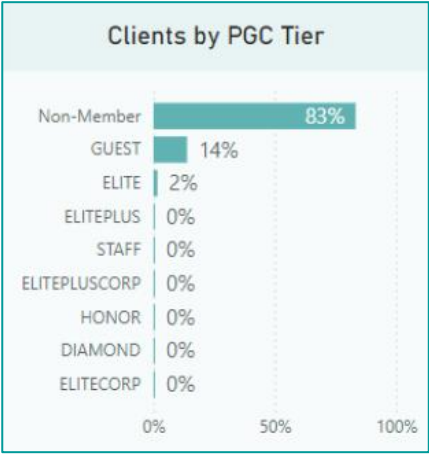


Graph 3 - PCH Guests Nationalities.

Source: PHG (2023)



Graph 4 - Clients by PGC Tier
 Source: PHG (2023)



Graph 5 - New vs. Returning Clients of PCH
 Source: PHG (2023)



Image 1- Pestana Palace Lisboa Positioning Map
 Source: Author's Creation

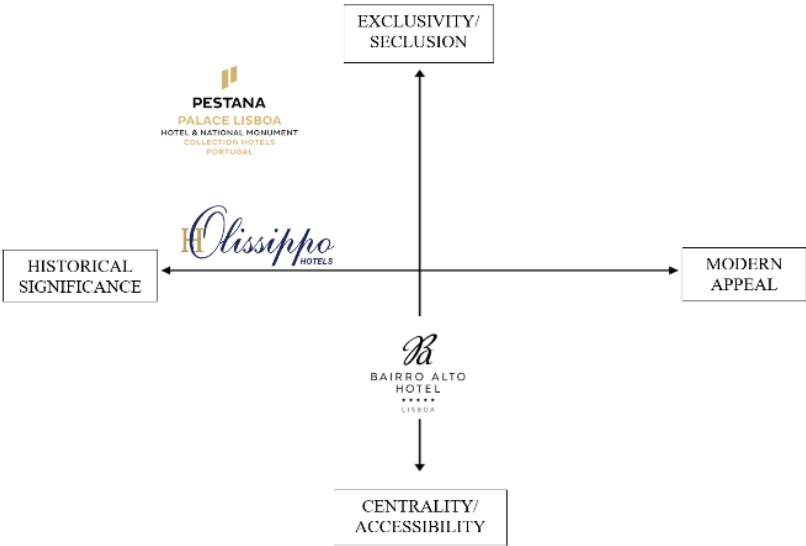


Table 1- Pestana Palace Lisboa Competitor Analysis

Source: Author’s Creation

Hotel	Pestana Palace Lisboa	Hotel Bairro Alto	Olissippo Lapa Palace
Location	Located in a quiet, affluent area; a historic palace with extensive gardens.	Prime location in Bairro Alto, close to cultural sites and nightlife.	Located in the upscale Lapa district, offers a serene environment with river views.
Rooms Number	194	87	109
Luxury Level	5-star luxury hotel with a blend of classic and contemporary design.	5-star luxury with a modern, boutique feel; focuses on intimate, personalized experiences.	5-star luxury, combining traditional charm with modern amenities, including a renowned spa.
Historical Significance	Housed in a 19th-century palace, rich in history and recognized as a national monument.	A historic building, but with more emphasis on contemporary luxury.	A historic palace from the 19th century, with a strong emphasis on preserving classical elements.
Amenities	Extensive gardens, outdoor and indoor pools, a luxury spa, fine dining, and events facilities.	Rooftop bar with panoramic views, luxury dining, and personalized services.	Lush gardens, outdoor and indoor pools, a spa, and fine dining, with a strong focus on tranquility and exclusivity.
Pricing	High-end pricing reflecting the luxury and heritage of the property.	Similar high-end pricing, with a focus on boutique luxury.	High-end pricing, often on par with Pestana Palace, with an emphasis on exclusivity.
Target Audience	Affluent travelers seeking luxury with historical significance and extensive facilities.	Affluent, younger travelers looking for a modern, boutique experience in a central location.	Wealthy travelers seeking a serene, exclusive experience with a focus on relaxation and privacy.
Unique Selling Proposition	Combines historical grandeur with modern luxury; recognized for its expansive gardens and event facilities.	Boutique luxury in a central, lively location; renowned for its personalized service and rooftop bar.	Offers a secluded, luxurious retreat in a historic setting with strong emphasis on privacy and relaxation.

Source: Pestana Collection Hotels, 2024; Bairro Alto Hotel, 2024; Olissippo Hotels, 2024.

Image 2- Pestana Cidadela Cascais Positioning Map

Source: Author’s Creation

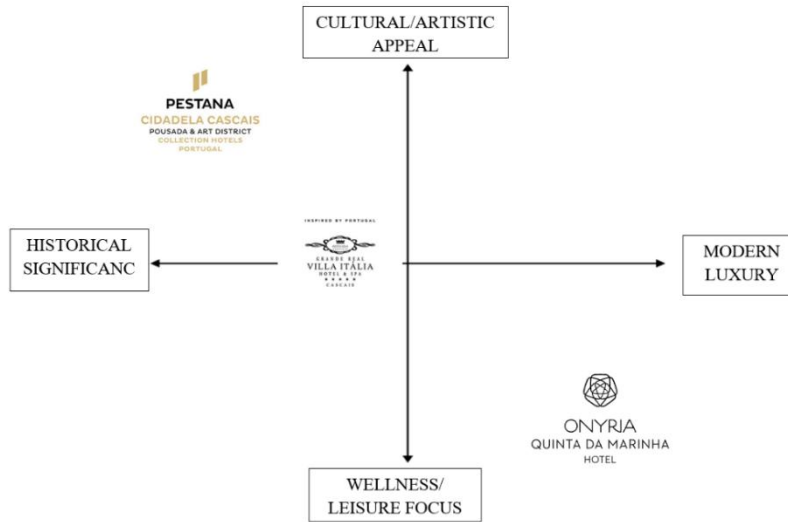


Table 2- Pestana Cidadela Cascais Competitor Analysis

Source: Author’s Creation.

Hotel	Pestana Cidadela Cascais	Grande Real Villa Itália Hotel & Spa	Hotel Quinta da Marinha
Location	Located within the historical Cidadela complex, offering stunning views of the marina and ocean.	A prime coastal location, near Cascais center with ocean views; historic former residence of Italian royalty.	Located in the natural setting of Quinta da Marinha, offering a tranquil environment close to golf courses and the beach.
Rooms	126	124	200
Luxury Level	5-star luxury hotel within a historic fortress, combining modern design with historic charm.	5-star luxury with a focus on classical elegance, inspired by its royal history; features modern amenities.	5-star resort focused on luxury and wellness, offering modern accommodations with extensive leisure facilities.
Historical Significance	Housed in a restored 16th-century fortress, blending historical architecture with contemporary art.	Former residence of Italian royalty, rich in history and classical design elements.	Not historically significant but located in an exclusive area with a focus on modern luxury.
Amenities	Contemporary art gallery, marina views, outdoor pool, wellness center, and fine dining.	Renowned spa, outdoor pool, fine dining, and a focus on classical luxury services.	Golf courses, wellness spa, indoor and outdoor pools, multiple dining options, and extensive leisure activities.
Pricing	High-end pricing reflective of its unique location and blend of history with modern luxury.	Similar high-end pricing with a focus on classical luxury and premium services.	High-end pricing, competitive with other 5-star resorts, particularly appealing to those seeking wellness and sports.
Target Audience	Affluent travelers interested in luxury with historical significance and art; cultural enthusiasts.	Affluent travelers looking for classical luxury with historical roots and modern amenities.	Affluent travelers, particularly those interested in wellness, golf, and outdoor activities in a luxurious setting.

Unique Selling Proposition	Unique blend of historical fortress setting with contemporary art and modern luxury; cultural and historical experience.	Combines historical charm with modern luxury, offering a royal experience in a prime coastal location.	Offers a luxury resort experience focused on wellness, golf, and leisure in a tranquil, natural environment.
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Source: Pestana Collection Hotels, 2024; Grande Real Villa Itália Hotel & Spa Cascais, 2024; Onyria Marinha, 2024.

Image 3- Pestana Vintage Porto Positioning Map

Source: Author's Creation

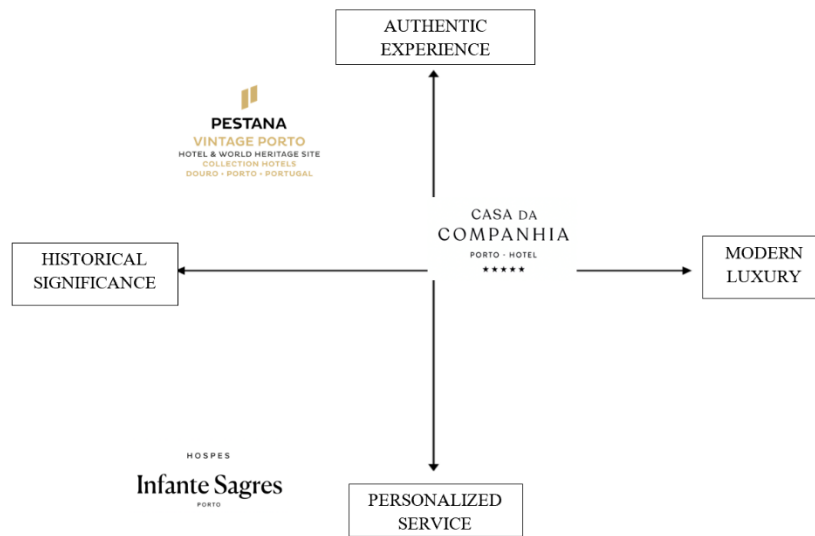


Table 3- Pestana Vintage Porto: Competitor Analysis

Source: Author’s Creation.

Source: Pestana Collection Hotels, 2024; Hospes Hotel, 2024; Casa da Companhia, 2024

Hotel	Pestana Vintage Porto	Hospes Infantes Sagres Porto	Casa da Companhia, Vignette Collection IHG Hotel
Location	Prime location on the Ribeira waterfront, offering stunning views of the Douro River and historic city center.	Located in a historic building in the heart of Porto, close to cultural sites and shopping areas.	Situated in a central area of Porto, combining historical charm with modern luxury, near key attractions.
Rooms	109	85	40
Luxury Level	5-star luxury with a blend of modern comfort and historical architecture, offering a unique sense of place.	5-star luxury with a focus on personalized service and an intimate, boutique experience.	5-star luxury with a contemporary design, blending historical elements with modern amenities and IHG’s signature style.
Historical Significance	Housed in a 16th-century building, rich in history and part of Porto’s UNESCO World Heritage site.	Occupies a historic palace with a strong emphasis on classical architecture and heritage.	Set in a historical building, maintaining many original features while offering modern comforts; part of IHG’s luxury collection.
Amenities	Fine dining with local cuisine, river views, elegant rooms, and a boutique feel.	Luxurious spa, gourmet dining, and a rooftop bar with panoramic views.	Spa, indoor pool, fitness center, and fine dining, with a focus on relaxation and wellness in a historic setting.
Pricing	High-end pricing, reflecting its prime location and historical significance.	High-end pricing, with a focus on exclusive, personalized experiences.	Competitive high-end pricing with an emphasis on modern luxury in a historic setting.
Target Audience	Affluent travelers looking for a luxury stay with historical charm and a central location.	Discerning travelers seeking a boutique experience with personalized service and historic ambiance.	Luxury travelers who appreciate a blend of historical charm and modern luxury, with a focus on wellness and comfort.
Unique Selling Proposition	Unique blend of historical charm and modern luxury, offering an authentic Porto experience with stunning river views.	Offers an intimate, luxurious boutique experience with a focus on personalized service and historical elegance.	Combines the heritage of a historical building with modern luxury and wellness facilities, positioned within IHG’s luxury portfolio.

Image 4- Pestana Palácio do Freixo Positioning Map

Source: Author’s Creation.

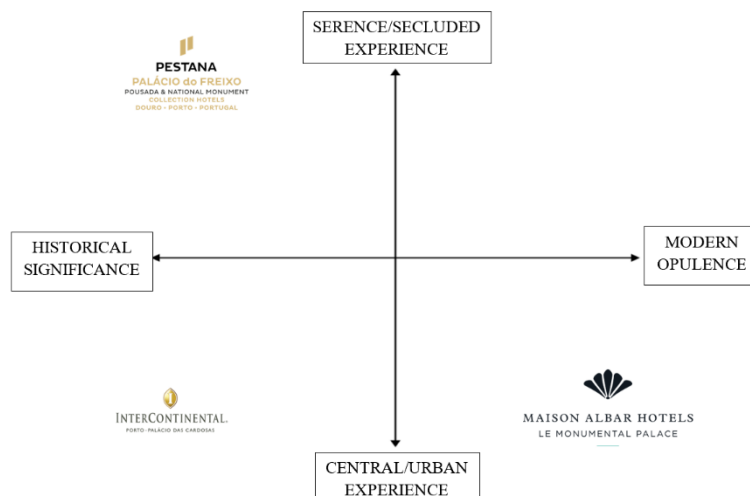


Table 4- Pestana Palácio do Freixo: Competitor Analysis

Source: Author's Creation.

Source: Pestana Collection Hotels, 2024; InterContinental Hotels & Resorts, 2024; Maison Albar Hotels, 2024

Hotel	Pestana Palácio do Freixo	InterContinental Porto - Palacio Das Cardosas	Maison Albar - Le Monumental Palace
Location	Situated along the Douro River, offering tranquil surroundings and panoramic views; housed in a restored 18th-century palace.	Prime location in the heart of Porto, near major landmarks like Clérigos Tower and São Bento Station.	Located on Avenida dos Aliados, a central and prestigious area in Porto, close to cultural attractions.
Rooms	87	113	76
Luxury Level	5-star luxury with a focus on historical grandeur combined with modern comfort, offering a unique and serene experience.	5-star luxury with a blend of classic elegance and modern amenities, catering to both business and leisure travelers.	5-star luxury with a French-inspired, contemporary design, emphasizing opulence and personalized service.
Historical Significance	Housed in a 19th-century Baroque palace, a National Monument with rich historical significance and classical architecture.	Occupies a historical building, the former palace of a noble family, with a strong emphasis on classical elegance and history.	Set in a historic building with modern renovations, offering a blend of French flair and local heritage.
Amenities	Riverside pool, luxurious spa, gourmet dining, extensive gardens, and event facilities in a historic setting.	Fine dining, luxurious spa, fitness center, and a central location ideal for exploring Porto's historic sites.	Spa, indoor pool, fitness center, fine dining with a French twist, and a focus on luxury and personalized experiences.
Pricing	High-end pricing reflecting its unique historical setting and riverside location.	High-end pricing, competitive with other luxury hotels in central Porto, reflecting its prime location and brand prestige.	Premium pricing, with a focus on delivering a luxurious, French-inspired experience in the heart of Porto.
Target Audience	Affluent travelers seeking a luxury stay in a serene, historically significant location with a focus on relaxation.	Business and leisure travelers looking for a luxurious stay in the heart of the city, with easy access to cultural sites.	Luxury travelers who appreciate a blend of historical charm and modern luxury with a strong emphasis on opulence.
Unique Selling Proposition	Unique combination of historical significance, serene riverside location, and modern luxury in a national monument.	Central location in a historic building, offering a blend of classic elegance and modern comfort, ideal for both business and leisure.	French-inspired luxury with a focus on opulent design and personalized service, set in a prime central location.

Image 5- Pestana Porto - A Brasileira Positioning Map

Source: Author’s Creation.

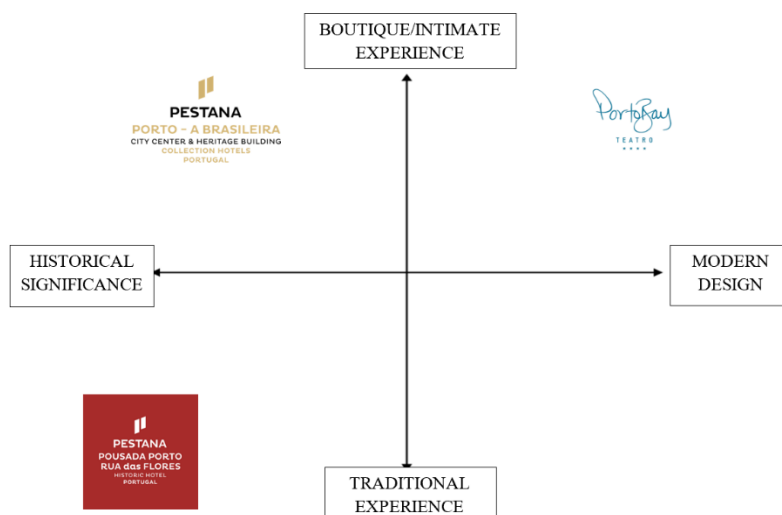


Table 5- Pestana Porto - A Brasileira: Competitor Analysis

Source: Author’s Creation.

Hotel	Pestana Porto - A Brasileira	PortoBay Teatro	Pousada do Porto - Rua das Flores
Location	Centrally located near Avenida dos Aliados, close to major attractions like the São Bento Station and Clérigos Tower.	Located in the historic center of Porto, within walking distance of key attractions, theaters, and shopping areas.	Situated on Rua das Flores, one of Porto's most charming pedestrian streets, close to Ribeira and the Douro River.
Rooms	90	74	84
Luxury Level	5-star luxury with a unique blend of modern comfort and historical charm, offering a boutique experience.	4-star luxury hotel with a theatrical theme, offering modern design and a contemporary feel.	4-star luxury focused on a blend of modern amenities and historical charm, offering a more traditional Portuguese experience.
Historical Significance	Housed in a historic building that was once a famous coffeehouse, preserving elements of its cultural heritage.	Located in a renovated theater, offering a modern twist on historical significance with a focus on the arts.	Set in a historical building with original features preserved, emphasizing the traditional architecture and heritage of Porto.
Amenities	Fine dining with a focus on Portuguese cuisine, fitness center, and elegantly designed rooms that reflect its historical roots.	Modern amenities include a fitness center, stylish rooms, and a restaurant with a focus on contemporary cuisine.	Amenities include a restaurant, bar, and lounge area, with a focus on offering a comfortable stay in a historic setting.
Pricing	High-end pricing, reflecting its central location, luxury status, and historical significance.	Mid-to-high-end pricing, offering luxury at a slightly lower price point, focused on design and modernity.	Competitive mid-to-high-end pricing, balancing luxury with a traditional experience in a prime location.
Target Audience	Affluent travelers looking for a luxury stay with historical and	Travelers seeking a modern, design-focused experience	Travelers interested in a blend of historical charm and modern comfort,

	cultural significance in the heart of Porto.	with a unique, artistic atmosphere.	with a focus on traditional Portuguese hospitality.
Unique Selling Proposition	Combines luxury with historical and cultural heritage, offering a boutique experience in a building with deep cultural roots.	Unique theatrical theme with a modern design, offering a distinctive and stylish experience in the heart of Porto.	Offers a traditional Portuguese experience in a historical building, combining comfort with heritage in a central location.

Source: Pestana Collection Hotels, 2024; PortoBay, 2024; Pestana Pousadas de Portugal, 2024.

Image 6: Pestana Plaza Mayor Positioning Map

Source: Author's Creation.

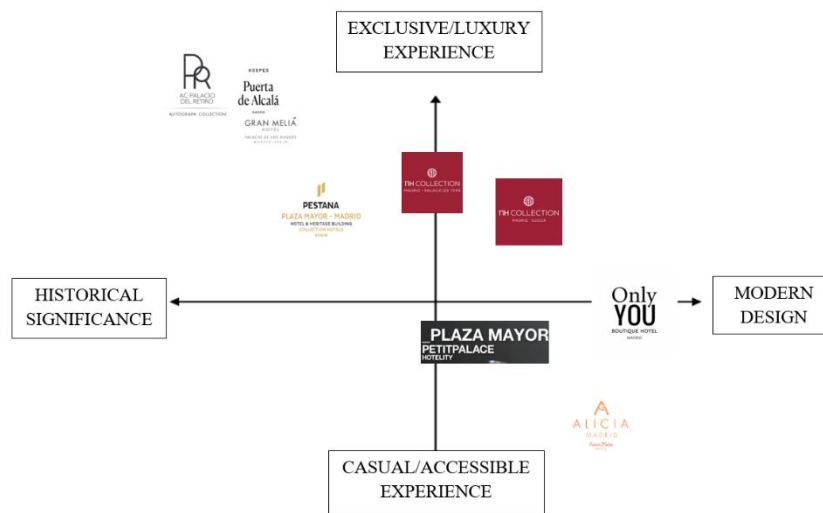


Table 6- Pestana Palácio do Freixo Competitor Analysis

Source: Author's Creation.

Pestana Plaza Mayor: Competitor Analysis

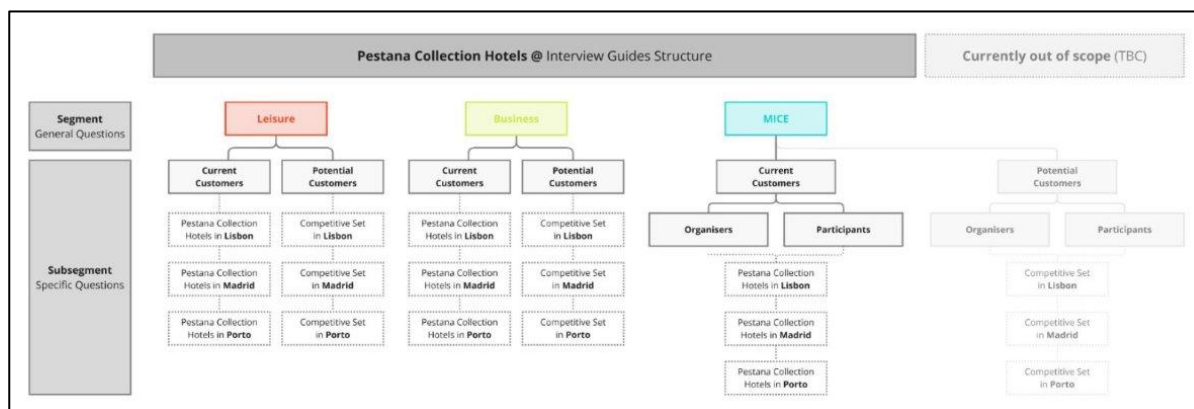
Factor	Pestana Plaza Mayor	Only YOU Boutique Hotel	Hotel Palacio del Retiro	NH Collection Madrid Palacio de Tepa
Location	Prime location on Plaza Mayor, central to Madrid's main attractions and historic sites.	Located in Chueca, known for its vibrant nightlife and modern cultural scene.	Overlooks Retiro Park, a prime location with easy access to cultural landmarks.	In the heart of the Literary Quarter, close to Plaza Mayor and key cultural sites.
Rooms	90	125	50	83
	4-star luxury blending modern comfort with historical charm,	4-star luxury with a boutique feel, blending modern design with personalized service.	5-star luxury with a blend of historical charm and modern	5-star luxury with a focus on modern design, balancing comfort with historical significance.

Luxury Level	offering a boutique experience.		amenities, offering a regal experience.	
Historical Significance	Housed in a historic building on Plaza Mayor, blending Madrid's rich heritage with modern luxury.	Modern reinterpretation of a historic building, focusing on contemporary culture.	Housed in a former aristocratic mansion, rich in history and classical design.	Situated in a historical palace, with preserved architectural elements and modern updates.
Amenities	Rooftop pool with panoramic views, fitness center, fine dining, and event facilities.	Rooftop terrace, fitness center, and a vibrant social atmosphere.	Spa, fine dining, event spaces, and a focus on wellness and relaxation.	Fitness center, fine dining, stylish rooms with modern amenities.
Pricing	Mid-to-high-end pricing, reflecting its central location and heritage.	Mid-to-high-end pricing, reflecting its boutique, modern experience.	High-end pricing, with a focus on luxury and historical significance.	High-end pricing, competitive with other luxury hotels in the area.
Target Audience	Travelers seeking a luxury stay with historical significance in the heart of Madrid.	Young professionals and modern travelers looking for a boutique, culturally immersive experience.	Luxury travelers seeking a regal, historically rich experience in a prime location.	Affluent travelers seeking a blend of modern luxury and historical charm in the heart of Madrid.
Unique Selling Proposition	Blends historical charm with modern luxury, offering a boutique experience in one of Madrid's most iconic locations.	Combines modern design with a vibrant social atmosphere, offering a unique boutique experience.	Offers a regal experience in a historically significant building with modern luxury.	Balances modern design with historical elements, offering a stylish experience in a historic setting.

Source: Pestana Collection Hotels, 2024; Only You, 2024; Autograph Collection Hotels, 2024; NH Collection Hotels, 2024.

Appendix C: Interview guides – Current & Potential customers

Figure 1- Interview guides Structure



Interview Guide 1- Current & Potential Customers - Common parts

Introduction

Good morning/afternoon/evening, my name is [interviewer's name].

First, I would like to thank you for your participation today. To briefly introduce the purpose of this interview: I'm part of a group of students from NOVA School of Business and Economics, currently completing our thesis on the hospitality industry, more specifically about upper upscale hotels. Our research aims to gain insights into personal experiences and opinions related to the hospitality sector, particularly in the context of upper upscale hotels *. (Upper upscale hotels are premium hotels that offer luxurious amenities and services but are slightly below the very top-tier luxury hotels. Examples include brands like Marriott's Autograph Collection, Sheraton Hotels, Le Méridien, InterContinental, Pestana Collection, Hyatt's Andaz, and Hilton's Curio Collection.)

The interview is expected to take approximately 10 to 15 minutes. Please be assured that all content and responses shared in this discussion will remain strictly confidential and will be used solely for academic purposes.

Before we begin, we would like to ask for your permission to record this conversation. This recording is purely for accurately capturing your responses. Do we have your consent to proceed with recording? [Yes/No]

Filtering questions

Are you staying at (HOTEL WE ARE ON):

[YES] = Current Customer // [NO] = Potential Customer

What's the purpose of your trip?

[LEISURE] = Segment A // [BUSINESS] = Segment B // [MICE] = Segment C

- **Demographics:**
- Gender
- Age
- Nationality
- Occupation
- Occupation Industry
- Highest Education level
- Residence (City)
- Income Bracket:
 - Less than €30,000 per year
 - €30,000 - €60,000 per year
 - €60,000 - €100,000 per year
 - More than €100,000 per year
 - Does not know/ Does not feel comfortable sharing

Conclusion

Is there anything else you'd like to add that we haven't covered?

Thank you very much for your time and feedback—your opinions are important to us and will help in making improvements. We value your insights a lot! Have a great day!

Interview guide 1.1 - Segment A: Leisure customers – Specific questions

- Who are you traveling with? For how long are you going to stay at this hotel?
- How many times in a year do you travel for leisure motifs?
- Can you please tell me which upper upscale hotel brands you can think of?
- *(Show pictures with logos from the compset)* Can you tell which of these hotels do you recognize?
- Is this the 1st time you are staying in an upper upscale hotel?
- If no, where did you stay before? What was your experience like?
- When booking this trip, which hotels have you considered to stay at? Why?
 - How would you compare this hotel to other upper upscale hotels? In which ways do they differ?
- When booking a stay at a hotel, where do you usually look for information (is it on booking.com, TripAdvisor, official website, or social media)? Do you book the stay through the same channel, or do you use a different one?
- Do you recall any campaign from upper upscale hotels (adv.)? And from PCH?
- Which communication channels do you prefer receiving information from? What type of marketing/promotions capture your attention and are most valuable to you? *(Note: start by exploring marketing/promotions and communication channels related to hotels, ok? If they cannot provide a solid answer about hotels, ask about other sectors or industries.)*
- What influences your decision when selecting a hotel for leisure? (price, location, luxury, service, loyalty programs, brand reputation)

- How important are brand loyalty programs or memberships when choosing a hotel?

A1: Sub-segment specific questions: Current customers

- Why did you choose to stay at (*Name of the PCH*)?
- If PCH were a person and walked into this room, what would they be like?
- PCH is a brand associated with heritage and authenticity, elegance, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and you have any specific opinion?
- Do you know what is Pestana Guest Club?
 - If yes, are you a member?
 - (Give examples) How important are these benefits to you?
- What was your 1st impression when entering the building?
- So far how has your experience been? Did the experience meet your expectations? (Staff, rooms, food & beverage, amenities, booking...)
 - What did you like the most (*Name of the PCH*)?
 - What did you like the least (*Name of PCH*)?
- The (*hotel we are on*) is part of Pestana Collections Hotels, which also has hotels in (name the other cities: Porto, Lisbon, Madrid & Amsterdam). With your experience in mind at (*hotel we are on*), how likely are you to stay at Pestana Collection Hotel again? Why?
 - *In Porto, do you know that there are 2 more hotels from the same brand (Pestana Vintage Porto, Pestana Palácio Freixo, Pestana Porto- Brasileira)*
- How likely are you to recommend Pestana Collection Hotels to friends or family? What would influence your recommendation?

A2: Sub-segment specific questions: Potential customers

- Why did you choose to stay at (*COMPSET*)?
- Do you have a membership in any hotel groups?
- What was your 1st impression when entering the building (*compset*)?
- So far how has your experience been? Did the experience meet your expectations? (Staff, rooms, food & beverage, amenities...)
 - What did you like the most about (*compset*)?
 - What did you like the least about (*compset*)?
- Have you heard about (*PCH we are comparing*)? (*Show images of the hotel for better recognition*) – *NOTE: if interviewee isn't familiar with PCH but other Pestana brands, explore that one*
 - (*If yes*) Did you stay at (*PCH we are comparing*) before? How was your experience?
 - How would you compare PCH to the other hotel you are staying at? In which ways do they differ?

- If PCH were a person, how would you describe them? How about the current hotel you're staying at?
- PCH is a brand associated with heritage and authenticity, elegance and luxury, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and do you have a specific opinion?
- The (*PCH HOTEL NAME, show photos*) is part of Pestana Collections Hotels, which also has hotels in (*name the other cities: Porto, Lisbon, Madrid & Amsterdam and show pictures*). Have you been in any of these hotels?
 - (If yes) How was your experience?

Interview guide 1.2 - Segment B: Business customers – Specific questions

- How often do you travel for business purposes? How long do you usually stay for business trips?
- Do you choose the hotel you are staying in or is it your company's decision?
- (If it's the person choosing) What are the top three factors that influence your choice of hotels for business trips?
- Can you please tell which upper upscale hotel brands you can think of for business purposes?
- When booking this trip, which hotels have you considered to stay at? Why?
- How would you compare this hotel to other upper upscale hotels? In which ways do they differ?
- (Show pictures with logos from the compset) Can you tell which of these hotels do you recognize?
- Where do you typically search for information or receive updates about business hotels? (e.g., websites, social media, newsletters, travel agencies, corporate channels) Where do you book your stay?
- Do you recall any campaign from upper upscale hotels (adv.) with business related messages or promotions? And from PCH?
- Which communication channels do you prefer receiving information from? What type of marketing/promotions capture your attention and are most valuable to you?

B1 sub-segment segment questions – Current customers

- Is it your 1st time staying at (hotel we are on) for business purposes?
- (If no) What are the reasons to repeat the stay?
- What did you like the most in (name of the PCH)?
- What did you like the least (name of PCH)?
- (If yes) Why did you choose to stay here?
- If this hotel were a person and walked into this room, what would they be like?

- PCH is a brand associated with heritage and authenticity, elegance, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and are these factors important for you on business trips?
- The (hotel we are on) is part of you know Pestana Collections Hotels also has hotels in (name the other cities: Porto, Lisbon, Madrid & Amsterdam). Do you travel frequently to any of those destinations?
- In Porto, do you know that there are 2 more hotels from the same brand (Pestana Vintage Porto, Pestana Palácio Freixo, Pestana Porto- Brasileira)
- Would you consider staying at PCH if you were to stay for business purposes in those cities?
- (If it's not the 1st time the person is travelling for business purposes) How do you perceive the value of (hotel we are on) compared to other hotel brands you have stayed on for business travel? (The amenities, location, staff...)
- Would you consider staying at (hotel we are on) for leisure purposes as well?
- How likely are you to recommend (hotel we are on) to friends or family? What would influence your recommendation?

B2 sub-segment segment questions – Potential customers

- Is it your 1st time staying at (COMPSET) for business purposes?
- (If no) What are the reasons to repeat the stay?
- (If yes) Why did you choose to stay here?
- (If it's not the 1st time the person is travelling for business purposes) How do you perceive the value of (COMPSET) compared to other hotel brands you have stayed on for business travel? (The amenities, location, staff...)
- Have you heard about (PCH we are comparing)? (Show image of the hotel for better recognition)
- (If yes) Did you stay at (PCH we are comparing) before? How was your experience?
- How would you compare PCH to the other hotel you are staying at? In which ways do they differ?
- If PCH were a person, how would you describe them? How about the current hotel you're staying at?
- PCH is a brand associated with heritage and authenticity, elegance and luxury, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and do you have a specific opinion?
- The (hotel we are comparing show photos) is part of Pestana Collections Hotels, which also has hotels in (name the other cities: Porto, Lisbon, Madrid & Amsterdam). Do you travel frequently to any of those destinations?
- (If yes) How likely are you to consider staying at PCH in any of those cities for business purposes?
- Would you consider staying at (COMPSET) for leisure purposes as well?
- How likely are you to recommend (COMPSET) to friends or family? What would influence your recommendation?

Interview guide 1.3 - Segment C: MICE participants – Specific questions

C1 Sub-segment segment questions –MICE Organisers

- Can you please tell me which upper upscale hotel brands you can think of?
- *(Show pictures with logos from the compset)* Can you tell which of these hotels do you recognize?
- How often do you organize these types of events? And which kind of events do you usually host? (MICE = Meeting, Incentives, Conferences and Exhibitions)
- How often do you choose hotels as the location for the events?
- What influences your decision when selecting a hotel for MICE purposes? (price, location/convenience, customizable options, luxury, service, loyalty programs, brand reputation)
 - Do you usually choose the same hotel or group? Please name some hotels you have hosted before. *(Note: If they choose the same hotel or group, try to understand why)*
 - *(if others)* How would you compare events PCH hotels to other upper upscale hotels? In which ways do they differ?
- What challenges have you encountered when organizing events at hotels? How could hotels, in general, improve the MICE event planning process?
- Where do you typically search for information to organize the events? (e.g., websites, social media, newsletters)
- Have you noticed any marketing campaigns or advertisements from upper upscale hotels related to MICE events? And from PCH?
- Which communication channels do you prefer receiving information from? What type of marketing/promotions capture your attention and are most valuable to you? *(Note: start by exploring marketing/promotions and communication channels related to hotels. If they cannot provide a solid answer about hotels, ask about other sectors or industries.)*
- Is it your 1st time organising an event at *(hotel we are on)*?
- *(If no)* What are the reasons to repeat location? Is there anything you believe could be improved to enhance your experience? How does this compare to your past experiences at other upper upscale hotels?
- *(If yes)* Why did you choose to organise here?
- So far how has your experience been? Did the experience meet your expectations? (Staff, rooms, food & beverage, amenities, booking...)
 - What did you like the most *(Name of the PCH)*?
 - What did you like the least *(Name of PCH)*?
- If *(this PCH hotel)* were a person, how would you describe them?
- PCH is a brand associated with heritage and authenticity, elegance, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and you have any specific opinion?

C1 sub-segment questions – Potential MICE Organizers

- Could you name some upper upscale hotel brands that come to mind when you think about organizing MICE events?
- How often do you organize these types of events? And which kind of events do you usually host? (MICE = Meeting, Incentives, Conferences and Exhibitions)
- How often do you choose hotels as the location for the events?
- What influences your decision when selecting a hotel for MICE purposes? (price, location/convenience, customizable options, luxury, service, loyalty programs, brand reputation)
- Do you usually choose the same hotel or group? Please name some hotels you have hosted before. (*Note: If they choose the same hotel or group, try to understand why*)
- Why did you choose this hotel (*compset*) for your current event?
- Is it your 1st time staying at (*name of Compset*)?
- How does this current hotel compare to those hotels in terms of the event experience?
- What challenges have you encountered when organizing events at hotels? How could hotels, in general, improve the MICE event planning process?
- Where do you typically search for information when organizing MICE events? Do you use websites, social media, or other resources?
- Have you noticed any marketing campaigns or advertisements from upper upscale hotels related to MICE events?
- (*Show image of the hotel for better recognition*) Have you heard about Pestana Collection Hotels?
- (*If they know PCH*) Did you host at (*PCH we are comparing*) before? How was your experience?
- (*If no*) Would you consider them as a venue for future MICE events? Why or why not?
- The (*hotel we are comparing show photos*) is part of Pestana Collections Hotels, which also has hotels in (name the other cities: Porto, Lisbon, Madrid & Amsterdam). Do you arrange events frequently to any of those destinations?
- Would you consider staying at (*hotel we are on*) for business or leisure purposes?

C2 sub-segment segment questions – Participants

- Can you please tell me which upper upscale hotel brands you can think of?
- (*Show pictures with logos from the compset*) Can you tell which of these hotels do you recognize?
- How often do you attend to MICE events? And usually which kind of events (meetings, Incentives, Conferences & Exhibitions)?
- How frequently are they held at hotels?
- When attending MICE events, what aspects of the hotel are most important to you as a participant? (For example: location, comfort, service, event spaces, catering, etc.)

- So far how has your experience been? Did the experience meet your expectations? (Staff, rooms, food & beverage, amenities, booking...)
- What did you like the most (*Name of the PCH*)?
- What did you like the least (*Name of PCH*)?
- If (*this PCH hotel*) were a person, how would you describe them?
- PCH is a brand associated with heritage and authenticity, elegance, exclusivity and uniqueness, as well as gastronomy and wellness. Do you agree, and you have any specific opinion?
- Would you consider staying at (*hotel we are on*) for business or leisure purposes?

C2 sub-segment questions – Potential MICE Participants

- Can you please tell me which upper upscale hotel brands you can think of?
- How often do you attend MICE events? And usually which kind of events (meetings, Incentives, Conferences & Exhibitions)?
- How frequently are they held at hotels?
- When attending MICE events, what aspects of the hotel are most important to you as a participant? (For example: location, comfort, service, event spaces, catering, etc.)
- How has your experience at this hotel been so far? Has it met your expectations? (*overall experience?*)
- What have you enjoyed most about your stay at this hotel? And what have you enjoyed least about your stay at this hotel?
- What aspects of your stay could be improved, in your opinion?
- Would you consider staying at this hotel (*compset*) for future business or leisure trips? Why or why not?
- Have you heard of Pestana Collection Hotels before today?
- (If yes) Have you attend a MICE event at a Pestana Collection Hotel before?
- If yes, how was your experience compared to other upper upscale hotels, especially compared to the hotel you are staying at now (*compset*)?
- Would you consider staying at Pestana Collection Hotels for leisure or business purposes? Why or why not?

Interview guide 2 – Staff and External collaborators - Common parts

Introduction

Good morning/afternoon/evening, my name is [interviewer's name]

First, I would like to thank you for your time today. I am part of a group of students from NOVA School of Business and Economics, currently completing our thesis on the hospitality industry, specifically on Pestana Collections Hotels' marketing strategy. The aim of our research is to gain insights into personal experiences and opinions related to the hospitality sector, particularly in the context of upper upscale hotels

The interview is expected to take approximately 20 minutes. Please be assured that all content and responses shared in this discussion will remain strictly confidential and will be used solely for academic purposes.

Before we begin, we would like to ask for your permission to record this conversation. This recording is purely for accurately capturing your responses. Do we have your consent to proceed with recording? [Yes/No]

Contextualizing questions

- What is your professional and educational background?
- How many years have you been working in the sector?
- What motivated you to work in the Hospitality industry?
- What led you to work at Pestana (motivation and experiences)?

Industry questions

- What trends do you believe will become more prominent in the next few years in the hospitality industry?
- How do you see the role of technology evolving in the hospitality sector and that innovations do you think will be game changers?
- What are the biggest challenges the industry is currently facing?
-

Improvements

- How do you believe Pestana can better utilize the Pestana Collection brand to create additional value for the individual hotel brands?
- What key improvements do you see Pestana Collection Hotels should have in the industry's current competitive landscape?
- Do you see any key changes in the hotel(s)' branding or service that need to happen in the foreseeable future?
- What are some of the biggest challenges the Pestana brand faces in maintaining its reputation as a leading upscale hotel brand?
- How does Pestana plan to maintain its brand relevance and appeal to future generations of travelers?

Demographics

- Gender
- Age
- Nationality
- Occupation
- Residence (city)

Conclusion

Is there anything else you'd like to add that we haven't covered? Thank you very much for your time and feedback – your opinions are important to make improvements, and we value them a lot! Have a great day!

Interview guide 2.1 – Staff (João Martins) - Specific questions

Pestana questions

- How is Pestana in particular Pestana Collection Hotels doing in face of all these industry challenges and changes? Could they do something better? Are there things they excel at?
- What do you believe is the impact of the parent name “Pestana” on the “Pestana Collection Hotels” brand?
- What do you believe are the uniting factors or elements between the hotel and the other Pestana Collection hotels?

What value do you believe your hotel(s) provides that distinguishes you from the others?

What value do you believe the Pestana Collection brand brings to the hotel?

(if more than one hotel in that city) How do you avoid cannibalization between the Pestana Collection Hotels in this city? How do you distinguish yourself from the other(s)(e.g target customer, service provided, price etc)?

Brand perception

- How would you describe the product and service provided by your hotel(s) in 3 adjectives?
- Who uses your brand? What can you tell us about the customer beyond the demographic? How do you believe your target differentiates from this?
- (List the compset given to us) What aspects of the brand's attributes sets this hotel and the overall brand apart from its competitors?
- What sets this hotel apart from the other hotels in the Pestana Collection?
- Regarding feedback, what specific positive or negative feedback does this/these hotel(s) receive?

Interview guide 2.2 – Staff (Mariana Pinto) - Specific questions

PCH questions

- Can you tell us a brief story on how the PCH brand was created and how it has evolved over the years?
- Could you elaborate on how Pestana integrates its various hotels, particularly in diverse locations like Madrid, into the brand? What strategies ensure that each hotel retains the Pestana identity while embracing local characteristics?
- Have there been any efforts, for example a unifying Campaign, to let the clients know the PCH as whole?
- What do you believe is the impact of the parent name “Pestana” on the “Pestana Collection Hotels” brand?
- What is the degree of integration, collaboration and involvement that the PCHs have with each other? Do you have frequent strategic meetings? Guidelines to ensure there is alignment amongst the different hotels?
- What value do you believe your hotel(s) provides that distinguishes you from the others?

Brand perception

- Who uses your brand? What can you tell us about the customer beyond the demographic? How do you believe your target differentiates from this?
- How does Pestana create an emotional connection with its guests? Can you share examples where the brand has successfully engaged with guests on an emotional level?
- How is the brand image of Pestana communicated across different markets? Are there any significant differences in how the brand is perceived locally versus internationally?
- (*List the compset given to us*) What do you believe are the key differentiators that set the Pestana brand apart from other upper upscale hotel brands?
- Regarding feedback, what specific positive or negative feedback does this/these hotel(s) receive?

Interview guide 2.3 – Staff (Bruno Ribeiro) - Specific questions

Pestana questions

- Could you elaborate on how Pestana integrates its various hotels, particularly in diverse locations like Porto, into the brand? What strategies ensure that each hotel retains the Pestana identity while embracing local characteristics?
- What do you believe is the impact of the parent name “Pestana” on the “Pestana Collection Hotels” brand?
- With your knowledge of the Pestana brand's history, how do you see the brand’s heritage influencing its current operational strategies?
- What do you believe are the uniting factors or elements between this hotel and the other Pestana Collection hotels? What value do you believe the Pestana Collection brand brings to the hotel?

- What value do you believe your hotel(s) provides that distinguishes you from the others (compset or PCH)?
- How do you ensure there's no cannibalization in the Porto area? How different are the customers from Pestana Palácio do Freixo and Pestana Vintage Porto?
- What is the degree of integration, collaboration and involvement that the PCHs have with each other? Do you have frequent strategic meetings? Guidelines or etc to ensure there is alignment amongst the different hotels?

Brand perception

- How would you describe the product and service provided by your hotel(s) in 3 adjectives?
- Who uses your brand? What can you tell us about the customer beyond the demographic? How do you believe your target differentiates from this?
- How does Pestana create an emotional connection with its guests? Can you share examples where the brand has successfully engaged with guests on an emotional level?
- How is the brand image of Pestana communicated across different markets? Are there any significant differences in how the brand is perceived locally versus internationally?
- (List the compset given to us) What do you believe are the key differentiators that set the Pestana brand apart from other upper upscale hotel brands?
- How do you think the Pestana brand fosters loyalty among its guests? Are there specific initiatives or programs that have been particularly successful in retaining repeat customers?

Interview guide 2.4 – Staff (Front Office, F&B, Events) - Specific questions

General questions

- Can you tell us briefly about your experience working at PCH?
- What was your motivation? What do you like the most about it?
- Can you tell us what the customers appreciate the most? And what they complain the most?
- In your opinion, is there anything that you would improve?
- Have you worked in hospitality before?
- If yes, how do you compare the experience? Do you remember any best practices that should be implemented at PCH?

Interview guide 2.5 – Marketing staff - Specific questions

Filtering questions

- How long have you been working in the marketing and communication industry?
- How long have you been working for Pestana Collections Hotels?
- Could you please tell us what are the main functions as a marketer for PCH?

Industry questions

- What are the communication trends that have shaped the hospitality industry recently?
- What are the challenges for the industry?
- How is Pestana adapting to these trends/challenges?

PCH specific questions

- Considering your experience, how do you perceive Pestana Collection Hotels' positioning within the competitive landscape of luxury hospitality?
- How do you define your target audience?
- What are the biggest challenges Pestana Collection Hotels is facing in particular? Is it only marketing and brand growth ?
- What do you believe are the uniting factors or elements between the hotel and the other Pestana Collection hotels? What value do you believe the Pestana Collection brand brings to the hotel?
- What is the degree of integration, collaboration and involvement that the PCHs have with each other? Guidelines to ensure there is alignment amongst the different hotels.
- How do you believe Pestana can better utilize the Pestana Collection brand to create additional value for the individual hotel brands?
- Do you see any key changes in the hotel(s)' branding or service that need to happen in the foreseeable future?
- How does Pestana plan to maintain its brand relevance and appeal to future generations of travelers?

Partnerships & Collaborations

- Suppliers
- Strategic brand synergies (with other brands like ACP, SONAE, holmes place...)
- Tourism or event partnerships

Interview guide – External collaborators (Fuel Agency) - Specific questions

Filtering questions

1. How long have you been working in the marketing and communication industry?

2. How long have you been collaborating with Pestana Hotels?
3. What specific services does your agency provide to Pestana Hotels? (Examples: Branding, Campaign Management, Social Media, Public Relations and Media Outreach, Advertising ...)
4. What is your agency's experience with other clients in the hospitality industry?

Industry questions

1. What are the communication trends that have shaped the hospitality industry recently? And what are the emerging trends that will affect the way hotels reach their target in the future?
 - a. How is Pestana adapting to these trends?

PCH specific questions

1. Considering your experience, how do you perceive Pestana Collection Hotels' positioning within the competitive landscape of luxury hospitality?
2. How do you define your target audience?
3. What are the platforms used to communicate, and reach said audience? (google ads, facebook ads, print media...) only social media
4. What types of content (videos, images, etc.) do you create for these platforms?
 - a. How do you determine the right mix?
 - b. How do you determine the frequency?
5. How much creative freedom do you have in developing marketing strategies for the hotel chain?
 - a. Are there specific guidelines you must adhere to?
6. Do you decide which specific hotels or promotions to feature in your campaigns? If yes, what's the rationale?
7. What metrics or KPIs do you use to measure the success of your marketing efforts for the hotel chain?
8. How do you ensure that the marketing efforts align with the overall brand identity and goals of Pestana Collection Hotels?
9. What are the biggest challenges Pestana Collection Hotels is facing in particular?
 - a. Is it only marketing and brand growth?
 - b. And what opportunities do you see for future campaigns?
10. What would be the best approach for Pestana to strengthen the main brand "Pestana Hotels Collection"?
11. From the moment you started working with PCH, how has its perception of Pestana Collection Hotels evolved over time?
12. In your opinion, what unique attributes set Pestana Collection Hotels apart from its competitors in the luxury hospitality sector?

Appendix D: Quantitative research

Figure 1 – Survey Structure

Start of Block: Filtering Question

Q1 Please select your nationality:

- Portuguese (1)
- British (2)
- Brazilian (3)
- Northern American (4)
- Other (5) _____

End of Block: Filtering Question

Start of Block: We are grateful for your participation!

Display This Question:

If Q1 = 5

Q55 Thank you for your interest! We appreciate your time and effort in starting this survey. However, as our study focuses on specific nationalities, we regret that you do not fall within our target group for this research.

Thank you once again for your participation!

Skip To: End of Survey If Q55 Displayed

End of Block: We are grateful for your participation!

Start of Block: General questions about Travel habits

Q1 For which purposes do you usually travel? (Select all that apply)

- Leisure (1)
- Business (2)
- Business events at hotels (e.g seminars, conferences, meetings, incentives, exhibitions) (3)
- I do not travel. (4)

Skip To: End of Survey If Q1 = 4

Display This Question:

If Q1 = 1

Q2 How frequently do you usually travel for leisure, per year ?

- 0-1 time (1)
- 1-3 times (2)
- 4-6 times (3)
- 7 or more times (4)

Display This Question:

If Q1 = 2

Q3 How frequently do you usually travel for business, per year ?

- 0-1 time (1)
- 1-3 times (2)
- 4-6 times (3)
- 7 or more times (4)

Display This Question:

If Q1 = 3

Q4 How frequently do you usually travel for business events at hotels (e.g seminars, conferences, meetings, incentives, exhibitions), per year ?

- 0-1 time (1)
- 1-3 times (2)
- 4-6 times (3)
- 7 or more times (4)

Q5 Who do you usually travel with ? (Select all that apply)

- Alone (1)
- Partner (2)
- Family (3)
- Friends (4)
- Colleagues (5)
- Other (6) _____

End of Block: General questions about Travel habits

Start of Block: Booking preferences and Hotel experience

Q1 From this list, please select the upper scale hotels that you recognize

- Pestana (1)
- Marriott (2)
- Sheraton (3)
- Meliã (4)

- NH collection (5)
 - Intercontinental (6)
 - Four Seasons (7)
 - Ritz Carlton (8)
 - Hilton (9)
-

Q2 Have you ever stayed at one of these hotels?

- No (1)
- Yes (2)

Skip To: Q5 If Q2 = 1

Display This Question:

If Q2 = 2

Q3 Which was the last hotel you stayed at?

- Marriott (1)
- Sheraton (2)
- Meliã (3)
- NH Collection (4)
- Intercontinental (5)
- Four Seasons (6)
- Ritz Carlton (7)
- Hilton (8)

Display This Question:

If Q2 = 2

Q4 We'd like to understand your satisfaction with your stay. Please indicate the extent to which you are satisfied with the following aspects of your experience.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Service (2)	0	0	0	0	0
Gastronomy (3)	0	0	0	0	0
Hotel's historical or cultural significance (4)	0	0	0	0	0
Decoration (5)	0	0	0	0	0
Amenities (6)	0	0	0	0	0
Staff (7)	0	0	0	0	0
Facilities (8)	0	0	0	0	0

Room size (9)	0	0	0	0	0
------------------	---	---	---	---	---

Q5 We are trying to understand the factors that influence your decision when booking a 4 or 5-star hotel. Please indicate the extent to which you agree that each factor is important in your decision-making process.

	Extremely Irrelevant (1)	Irrelevant (2)	Neutral (3)	Relevant (4)	Extremely Relevant (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Wellness center (5)	0	0	0	0	0
Friendly staff (6)	0	0	0	0	0
Reviews (7)	0	0	0	0	0
Room size (8)	0	0	0	0	0

Event spaces (9)	0	0	0	0	0
Outdoor Pool (10)	0	0	0	0	0

Q6 Which of the following platforms do you typically use to book your stays at a 4/5 stars Hotel ?
(Select all that apply)

- Booking.com (1)
- Expedia (2)
- Direct contact (phone or email) (3)
- Travel agencies (4) _____
- Hotel's website (5)
- Other (6) _____

Page Break

Q7 Are you a member of a hotel's loyalty program?

- No (1)
- Yes (2)

Skip To: Q10 If Q7 = 1

Display This Question:

If Q7 = 2

Q9 Which hotel's loyalty program are you a member of?

- Marriott Bonvoy (1)
- Hilton Honors (2)
- World of Hyatt (3)
- IHG One Rewards (4)
- Pestana Guest Club (5)
- Accor Live Limitless (6)
- Best Western (7)
- Other (8) _____

Display This Question:

If Q7 = 2

Q8 We are interested in your preferences regarding Loyalty Programs. Please indicate the extent to which you agree or disagree with the importance of the following factors when signing up for a Loyalty Program.

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Discounts on direct bookings (1)	0	0	0	0	0
Free room upgrades (2)	0	0	0	0	0
Priority check-in/	0	0	0	0	0

Late check-out (3)

Personalized services (4)

0 0 0 0 0

Collecting points for rewards (free nights, flights, car rentals and experiences) (5)

0 0 0 0 0

Discounts on partner companies (6)

0 0 0 0 0

VIP treatments (7)

0 0 0 0 0

Page Break

Q10 Which marketing channels do you prefer to receive hotel promotions, offers and other marketing campaigns from? (Select all that apply)

- Email (1)
- Google (2)
- Facebook (3)
- Instagram (4)
- Tiktok (5)
- SMS (6)
- TV (7)
- Magazines or Newspapers (8)
- Blogs or other organic content (9)
- Out of Home advertising (example: MUPIS, Billboards) (10)
- Other (11) _____

Q11 Do you recall any hotel advertisement that caught your attention?

- No (1)
- Yes (2)

Skip To: End of Block If Q11 = 1

Display This Question:

If Q11 = 2

Q56 Which one?

Display This Question:

If Q11 = 2

Q12 How would you describe the advertisement?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	
Unreliable	0	0	0	0	0	Trustworth y
Outdated	0	0	0	0	0	Modern
Youthful	0	0	0	0	0	Mature
Irrelevant	0	0	0	0	0	Relevant
Misleading	0	0	0	0	0	Transpare nt
Generic	0	0	0	0	0	Unique
Forgettabl e	0	0	0	0	0	Memorable

End of Block: Booking preferences and Hotel experience

Start of Block: Brand recognition

Q1 Are you familiar with the Pestana Hotel Group?

- Yes (6)
- No (7)

Skip To: Q6 If Q1 = 7

Display This Question:

If Q1 = 6

Q2 How did you hear about it? (Select all that apply)

- Google (1)
- Facebook (2)
- Instagram (3)
- Tiktok (4)
- Friends, family or other acquaintances (5)
- Printed advertisement (newspapers and magazines) (6)
- TV (7)
- Radio (8)
- Out-Of-Home advertisement (example: billboards, posters, MUPIS) (9)
- Travel Agency (10)
- Other (11)

Q3 Have you ever stayed at a Pestana Hotel ?

- Yes (1)
- No (2)

Skip To: QID25 If Q3 = 2

Display This Question:

If Q3 = 1

Q4 Which one?

Display This Question:

If Q3 = 1

Q5 We would like to understand your satisfaction with your stay at Pestana! Please indicate the extent to which you are satisfied with the following aspects of your stay at Pestana.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Service (2)	0	0	0	0	0
Gastronomy (3)	0	0	0	0	0
Hotel's historical or cultural significance (4)	0	0	0	0	0
Decoration (5)	0	0	0	0	0

Amenities (6)	0	0	0	0	0
Staff (7)	0	0	0	0	0
Facilities (8)	0	0	0	0	0
Room Size (9)	0	0	0	0	0

Page Break

Pestana Collection Hotels is a sub-brand of Pestana, with 7 Hotels in Spain, Portugal, and the Netherlands. These are images of the different hotels.

Q6 Have you ever heard about Pestana Collection Hotels?

- No (1)
- Yes (2)

Skip To: End of Survey If Q6 = 1

Display This Question:

If Q6 = 2

Q7 How did you hear about it? (Select all that apply)

- Google (1)
- Facebook (2)
- Instagram (3)

- Tiktok (4)
- Friends, family or other acquaintances (5)
- Printed advertisement (newspapers and magazines) (6)
- TV (7)
- Radio (8)
- Out-Of-Home advertisement (billboards, posters, MUPIS ...) (9)
- Travel Agency (10)
- Other (11)

Display This Question:

If Q6 = 2

Q9 How familiar are you with the Pestana Collection Hotels (PCH) brand?

	Not familiar at all (1)	Slightly familiar (2)	Moderately familiar (3)	Very familiar (4)	Extremely familiar (5)
Pestana Collection Hotels (1)	0	0	0	0	0

Q8 Have you ever stayed at a Pestana Collection Hotel before?

- No (1)
- Yes (2)

Skip To: End of Survey If Q8 = 1

Display This Question:

If Q8 = 2

Q10 Please tell us in which hotel(s) have you stayed: (Select all that apply)

- Pestana Plaza Mayor (Madrid, Spain) (1)
- Pestana Amsterdam Riverside (Amsterdam, Netherlands) (2)
- Pestana Cidadela Cascais (Lisbon, Portugal) (3)
- Pestana Palace Lisboa (Lisbon, Portugal) (4)
- Pestana Vintage Porto (Porto, Portugal) (5)
- Pestana Palácio do Freixo (Porto, Portugal) (6)
- Pestana - A Brasileira (Porto, Portugal) (7)

Display This Question:

If Q10 = 1

Q11 We would like to understand your satisfaction with your stay at Pestana Plaza Mayor! Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0

Gastronomy (4)	0	0	0	0	0
Hotel's historical or cultural significance (5)	0	0	0	0	0
Decoration (6)	0	0	0	0	0
Amenities (7)	0	0	0	0	0
Wellness center (8)	0	0	0	0	0
Room Size (9)	0	0	0	0	0
Staff (10)	0	0	0	0	0
Facilities (11)	0	0	0	0	0
Outdoor Pool (12)	0	0	0	0	0

Display This Question:

If Q10 = 3

Q58 We'd like to understand your satisfaction with your stay at Pestana Cidadela Cascais!
Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Hotel's historical or cultural significance (5)	0	0	0	0	0
Decoration (6)	0	0	0	0	0
Amenities (7)	0	0	0	0	0
Wellness center (8)	0	0	0	0	0
Room Size (9)	0	0	0	0	0

Staff (10)	0	0	0	0	0
Facilities (11)	0	0	0	0	0
Outdoor Pool (12)	0	0	0	0	0

Display This Question:

If Q10 = 4

Q59 We'd like to understand your satisfaction with your stay at Pestana Palace Lisboa!
Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Hotel's historical or cultural	0	0	0	0	0

significance (5)						
Decoration (6)	0	0	0	0	0	0
Amenities (7)	0	0	0	0	0	0
Wellness center (8)	0	0	0	0	0	0
Room Size (9)	0	0	0	0	0	0
Staff (10)	0	0	0	0	0	0
Facilities (11)	0	0	0	0	0	0
Outdoor Pool (12)	0	0	0	0	0	0

Display This Question:

If Q10 = 5

Q60 We'd like to understand your satisfaction with your stay at Pestana Vintage Porto!
Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
--	----------------------------	--------------------	-------------	---------------	-----------------------

Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Hotel's historical or cultural significance (5)	0	0	0	0	0
Decoration (6)	0	0	0	0	0
Amenities (7)	0	0	0	0	0
Wellness center (8)	0	0	0	0	0
Room Size (9)	0	0	0	0	0
Staff (10)	0	0	0	0	0
Facilities (11)	0	0	0	0	0

Display This Question:

If Q10 = 6

Q61 We'd like to understand your satisfaction with your stay at Pestana Palácio do Freixo!
Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Hotel's historical or cultural significance (5)	0	0	0	0	0
Decoration (6)	0	0	0	0	0
Amenities (7)	0	0	0	0	0
Wellness center (8)	0	0	0	0	0

Room Size (9)	0	0	0	0	0
Staff (10)	0	0	0	0	0
Facilities (11)	0	0	0	0	0
Outdoor Pool (12)	0	0	0	0	0

Display This Question:

If Q10 = 7

Q62 We'd like to understand your satisfaction with your stay at Pestana - A Brasileira! Please indicate the extent to which you are satisfied with the following aspects of your stay.

	Very Unsatisfied (1)	Unsatisfied (2)	Neutral (3)	Satisfied (4)	Very Satisfied (5)
Location (1)	0	0	0	0	0
Price (2)	0	0	0	0	0
Service (3)	0	0	0	0	0
Gastronomy (4)	0	0	0	0	0
Hotel's historical or	0	0	0	0	0

cultural significance (5)						
Decoration (6)	0	0	0	0	0	0
Amenities (7)	0	0	0	0	0	0
Wellness center (8)	0	0	0	0	0	0
Room Size (9)	0	0	0	0	0	0
Staff (10)	0	0	0	0	0	0
Facilities (11)	0	0	0	0	0	0
"A Brasileira" - Coffee Shop (12)	0	0	0	0	0	0

Q12 From the list below, what was the most positive and memorable aspect of your stay at Pestana?

- Service quality (1)
- Gastronomy (2)
- Hotel's atmosphere & decoration (3)
- Hotel's location (4)

- o Experiences (e.g. cultural/social events) (5)
 - o Hotel's facilities (6)
 - o Other (7) _____
-

Q13 What would you associate Pestana Collection Hotels with? (Select all that apply)

- Heritage (1)
- Elegance (2)
- Wellness (3)
- High-end dining (4)
- Personalized service (5)
- Authenticity (6)
- Exclusivity (7)
- Relaxation (8)
- None of the above (9)

End of Block: Brand recognition

Start of Block: Demographics

Q51 What is your age group?

- o < 24 (1)
- o 25-34 (2)
- o 35-44 (3)
- o 45-54 (4)
- o 55-64 (5)

- o 65-74 (6)
- o > 75 (7)

Q52 What is your gender?

- o Male (1)
- o Female (2)
- o Other (3)
- o Prefer not to say (4)

Q53 What is your current employment status?

- o Employed (1)
- o Unemployed (2)
- o Retired (3)
- o Other: (4) _____

Skip To: Q55 If Q53 = 2

Skip To: Q55 If Q53 = 3

Skip To: Q55 If Q53 = 4

Display This Question:

If Q53 = 1

Q54 In which industry do you currently work in?

▼ Education (1) ... Other (16)

Q55 What is your average income bracket, per year?

- Under €30,000 (1)
- €30,000 - €60,000 (2)
- €60,000 - €100,000 (3)
- Over €100,000 (4)
- Prefer not to share (5)

End of Block: Demographics

Appendix E: Qualitative Research Results

Figure 1- Brands recognition & recall amongst our respondents.

Source: Author’s Creation

	Current Customers	Potential Customers
BRAND RECALL		
Leisure	Marriot, Ritz, Hilton, Four Seasons	
Business	Four Seasons, Melia, Hilton, Marriot, Accor	
MICE	Sheraton	-
BRAND RECOGNITION		
Leisure	Pestana, Melia, NH Collection, Interncontinental	Hilton, Yeatman, Intercontinental
Business	NH Collection, Marriot, Melia	
MICE	Interncontinental, Maison Albar	-

Figure 2: Most important factors while booking a stay at a hotel

Source: Author’s Creation

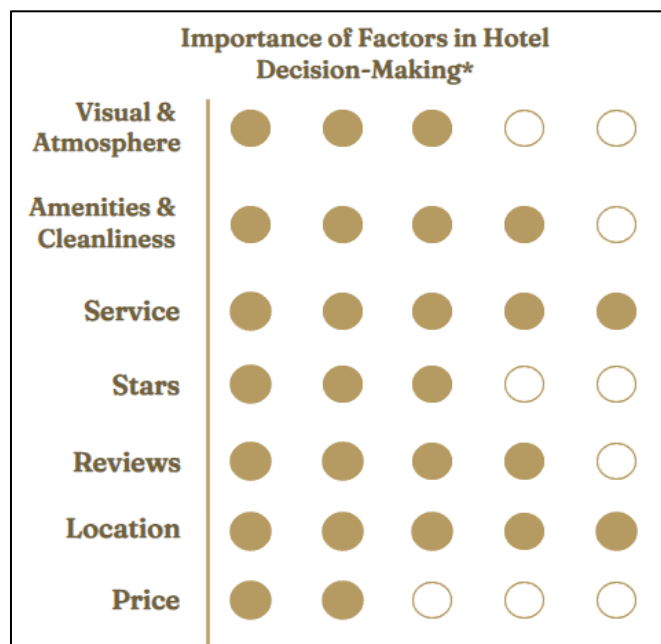


Figure 3- SWOT Analysis per PCH

Source: Author's Creation

	Strengths	Weaknesses	Opportunities	Threats
Pestana Palace Lisboa	<ul style="list-style-type: none"> ✓ Strong historical appeal (palace) ✓ High satisfaction with location, relaxed ambience and staff's hospitality 	<ul style="list-style-type: none"> ✓ Some complaints about room amenities ✓ Slow service during meals and a limited food menu 	<ul style="list-style-type: none"> ✓ Offer enhanced experiences for high-end customers (exclusive events) ✓ Elevate the palace's history 	<ul style="list-style-type: none"> ✓ Lack of renovation can deter potential customers ✓ Competing luxury hotels offering more modern facilities
Pestana Cidadela Cascais	<ul style="list-style-type: none"> ✓ Proximity to the sea and historic value ✓ Friendly staff and Artistic ambience (on-site art district) 	<ul style="list-style-type: none"> ✓ Limited gym ✓ Lack of facilities for older people/children 	<ul style="list-style-type: none"> ✓ Cultural and art events for upscale tourists ✓ Create wellness packages (spa, gym, and sea activities) 	<ul style="list-style-type: none"> ✓ Marina noise impacting guest experiences
Pestana Plaza Mayor Madrid	<ul style="list-style-type: none"> ✓ Central location in an iconic area ✓ Historic charm of the hotel 	<ul style="list-style-type: none"> ✓ Complaints about small rooms ✓ Some guests mention limited food options 	<ul style="list-style-type: none"> ✓ Position the hotel as an authentic Portuguese/Spanish cultural experience 	<ul style="list-style-type: none"> ✓ Competitors with better room facilities at similar prices
Pestana Vintage Porto	<ul style="list-style-type: none"> ✓ Highly rated for its location by the river ✓ Friendly staff and atmosphere 	<ul style="list-style-type: none"> ✓ Some find the rooms small by US standards ✓ Older decor in some areas 	<ul style="list-style-type: none"> ✓ Promote city views and cultural heritage ✓ Focus more on the vintage and heritage theme 	<ul style="list-style-type: none"> ✓ Renovation concerns and limited modern amenities ✓ Price competition from riverside hotels with a similar experience
Pestana Palácio do Freixo	<ul style="list-style-type: none"> ✓ Unique historical architecture with river views ✓ Excellent customer service and stunning grounds 	<ul style="list-style-type: none"> ✓ Guests mention dated decor in the rooms and building ✓ Limited modern facilities (spa/gym) 	<ul style="list-style-type: none"> ✓ Host more exclusive events for current and potential clients (wine tastings, cultural city tours, river tours) 	<ul style="list-style-type: none"> ✓ Renovation needs could affect guest perceptions of value ✓ Competition from Luxury hotels with better modern facilities
Pestana Porto - A Brasileira	<ul style="list-style-type: none"> ✓ Excellent central location and historic building ✓ Guests appreciate the café's history and nostalgic ambience 	<ul style="list-style-type: none"> ✓ Room size issues ✓ Limited amenities like pools and spacious gym 	<ul style="list-style-type: none"> ✓ Emphasize culinary experiences and historic charm ✓ Expand marketing to coffee lovers 	<ul style="list-style-type: none"> ✓ Competition from other upscale hotels with better facilities

Figure 4- SWOT Analysis by Location

Source: Author's Creation.

	Strengths	Weaknesses	Opportunities	Threats
PCH in Lisbon	<ul style="list-style-type: none"> ✓ Differentiated buildings with beautiful details ✓ Friendly staff and atmosphere ✓ Uniqueness 	<ul style="list-style-type: none"> ✓ Small rooms ✓ Outdated décor ✓ High prices 	<ul style="list-style-type: none"> ✓ Enhance historical value of the buildings ✓ Improve common facilities to compensate for room size ✓ Diversify event's type 	<ul style="list-style-type: none"> ✓ Lack of modern appliances and continuous update needs ✓ Technology constraints ✓ Competing hotels and event's spaces for cheaper prices
PCH in Madrid	<ul style="list-style-type: none"> ✓ Central location with access to cultural landmarks ✓ Good service and friendly staff 	<ul style="list-style-type: none"> ✓ Rooms considered small for business travelers ✓ Limited business amenities, considered more of a leisure hotel 	<ul style="list-style-type: none"> ✓ Develop business-focused amenities (meeting spaces and tech facilities) ✓ Create leisure-business packages for extended stays 	<ul style="list-style-type: none"> ✓ Rising expectations for high-tech facilities and amenities from corporate travelers ✓ Low brand awareness
PCH in Porto	<ul style="list-style-type: none"> ✓ Historical heritage ✓ Premium Location ✓ Excellent venue (Freixo) ✓ Attentive staff 	<ul style="list-style-type: none"> ✓ Below average amenities like spa and gym ✓ Not exclusive 	<ul style="list-style-type: none"> ✓ Create exclusive cultural and wine-themed events ✓ Add flexible, tech-enhanced rooms for events 	<ul style="list-style-type: none"> ✓ Modern hotels with larger rooms and better business facilities and amenities ✓ Competition from more corporate-focused hotels

Appendix F: Survey Data

Figure 1- Respondents' Traveling Motives

Source: Qualtrics (2024)

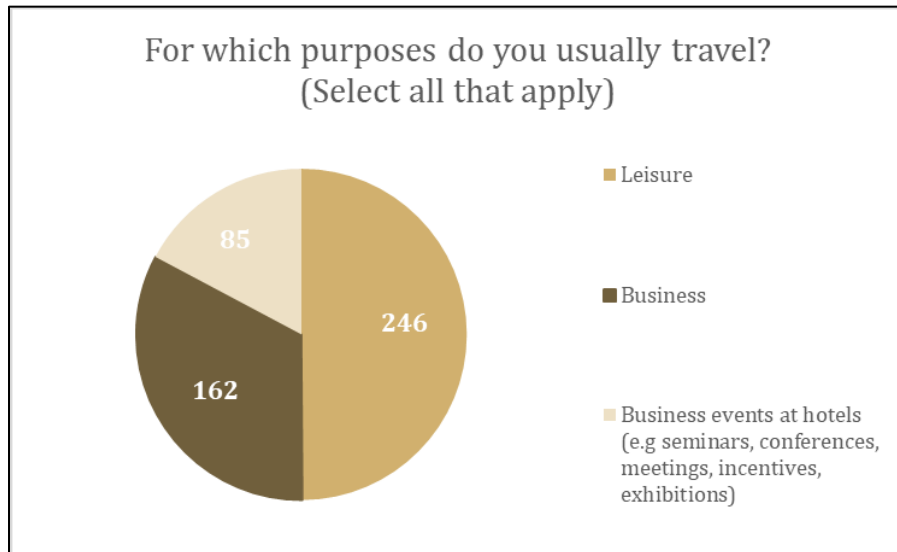


Figure 2- Respondents Travelling Frequency

Source: Qualtrics (2024)

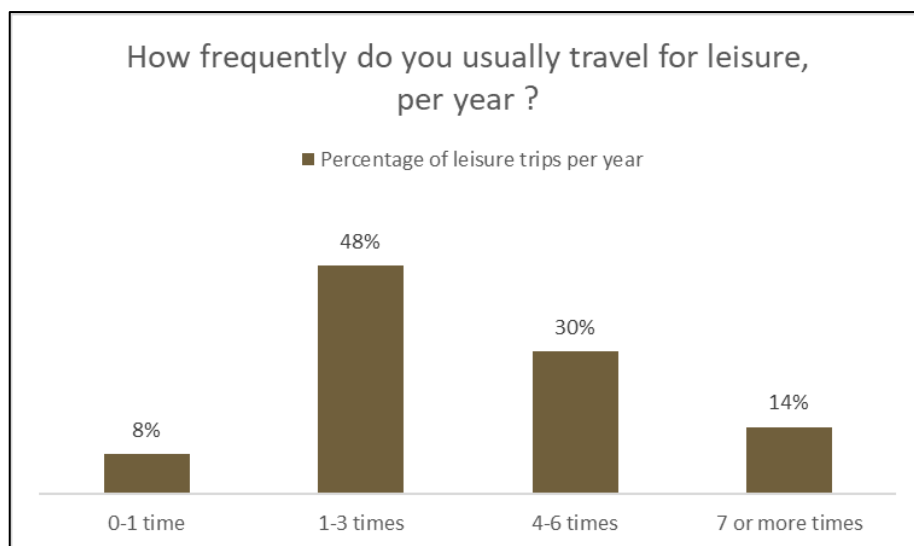


Figure 3- Respondents most frequent traveling partners
Source: Qualtrics (2024).

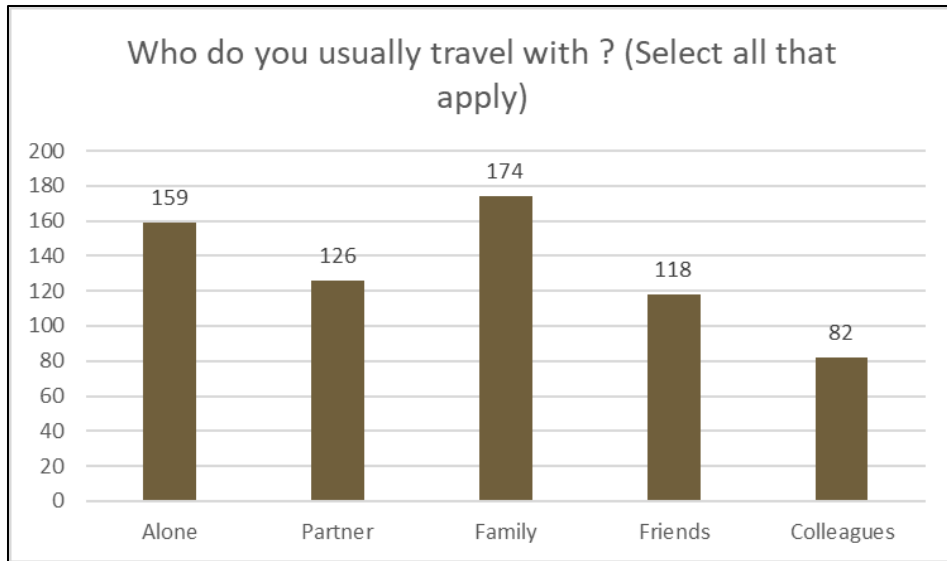


Figure 4- Respondents' most preferred marketing channels
Source: Qualtrics (2024).

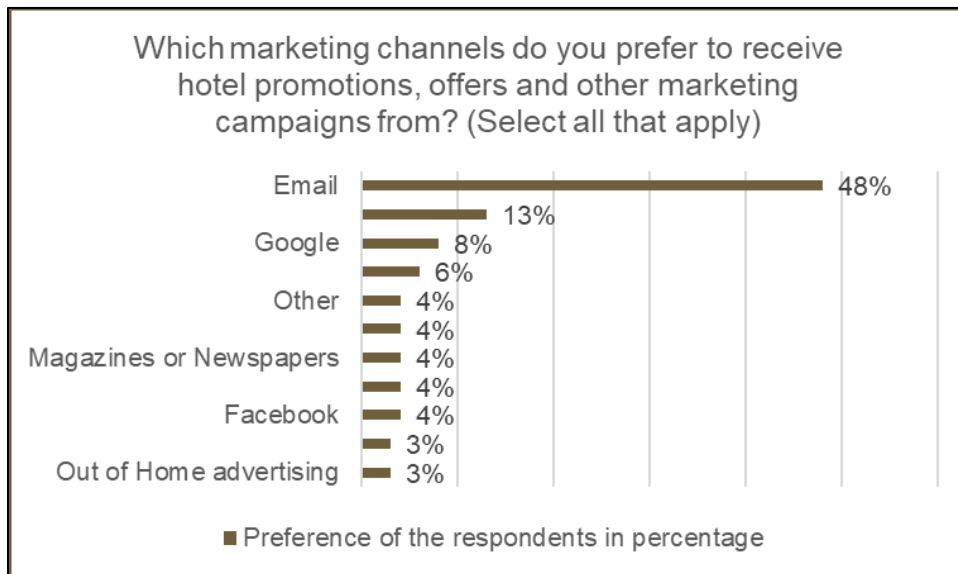


Figure 5- Respondents' most frequently used booking platforms
Source: Qualtrics (2024).

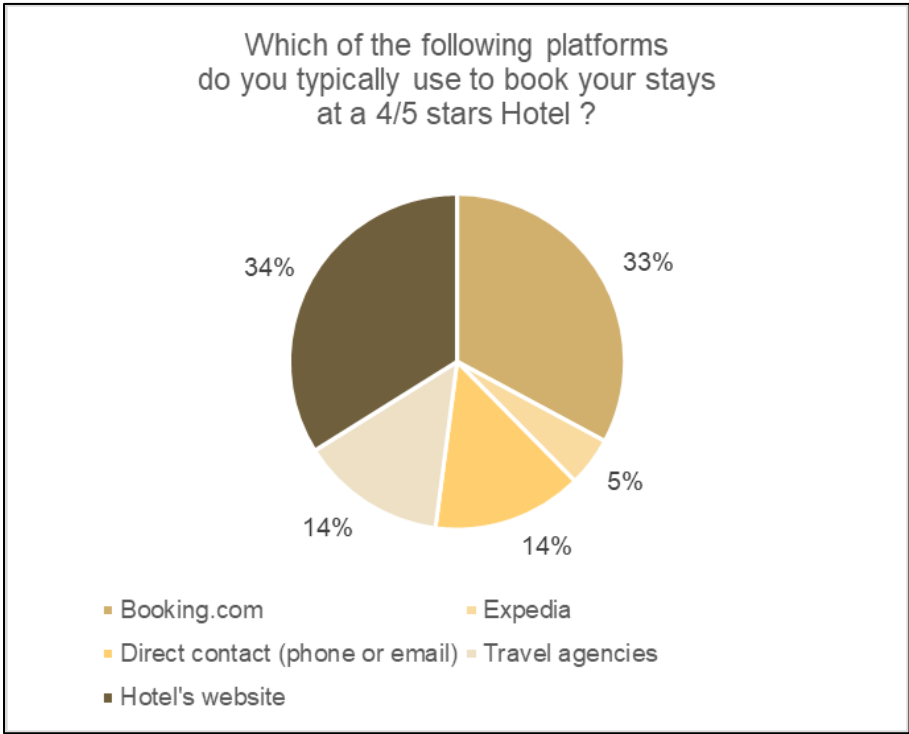


Figure 6: Respondents' most frequent loyalty program memberships
Source: Qualtrics (2024).

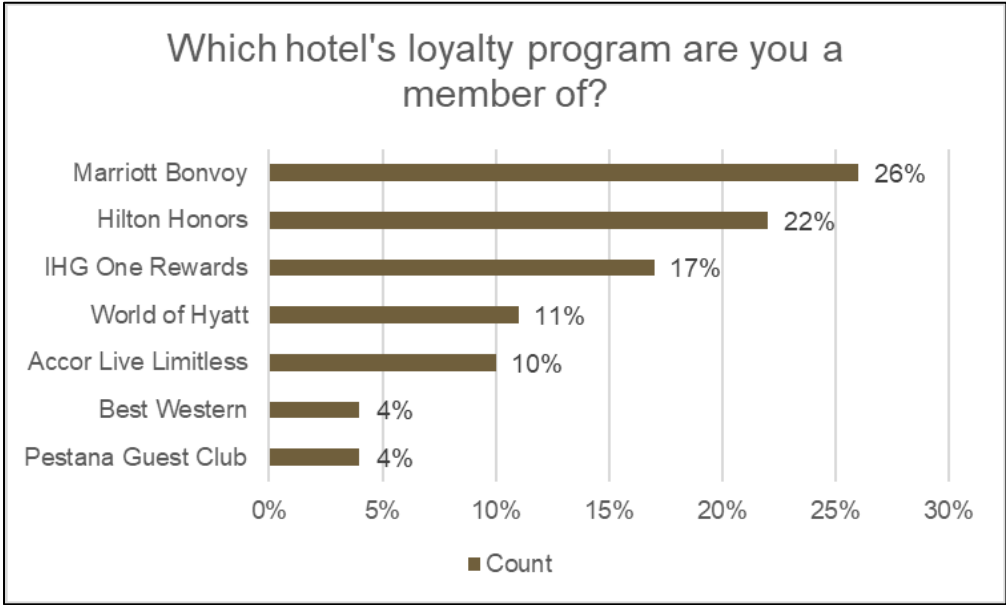


Figure 5- Upper-scale hospitality brand recognitions
Source: Qualtrics (2024).

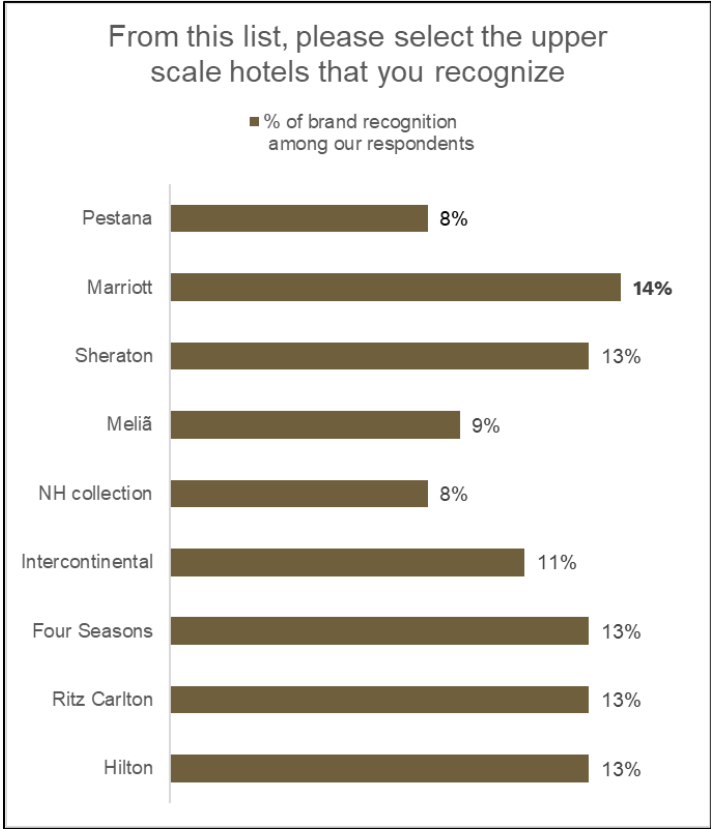


Figure 6- PCH Brand Recognition
Source: Qualtrics (2024).

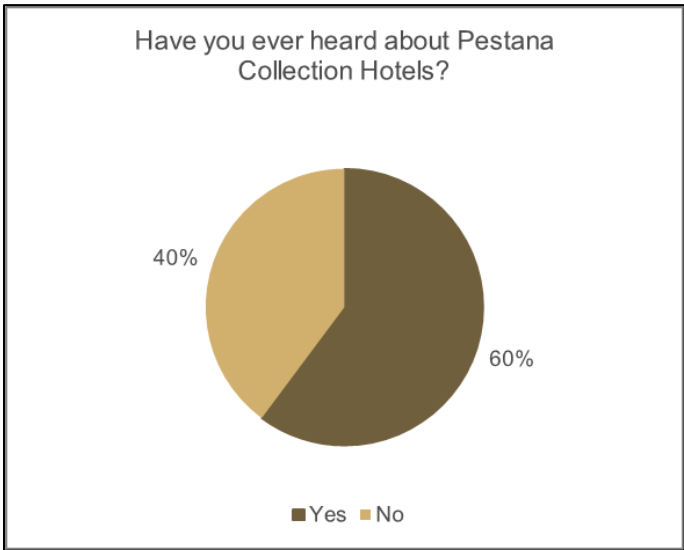


Figure 6.1 – PCH Reasons for Brand Recognition
Source: Qualtrics (2024)

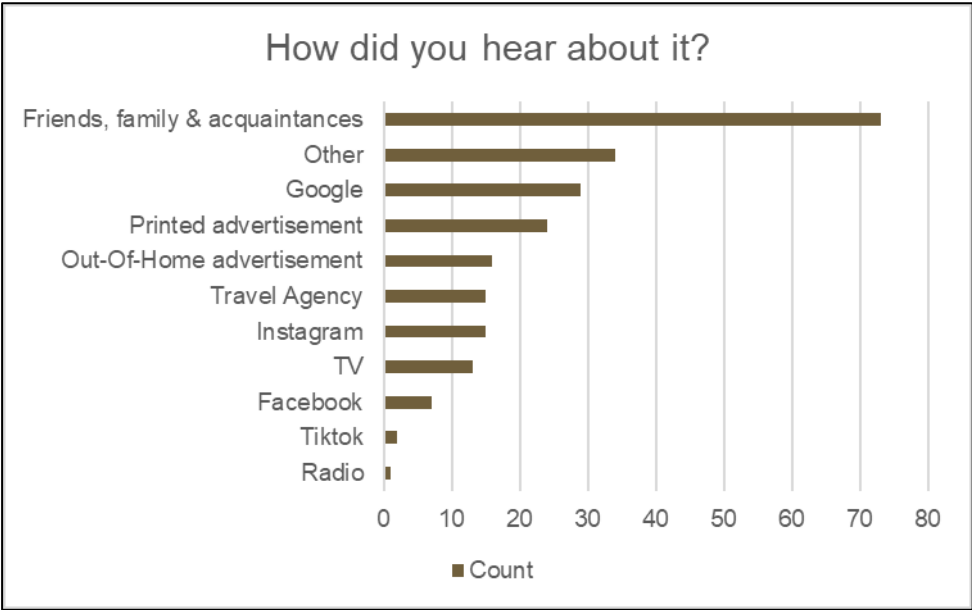


Figure 7 – PCH brand Associations
Source: Qualtrics (2024).

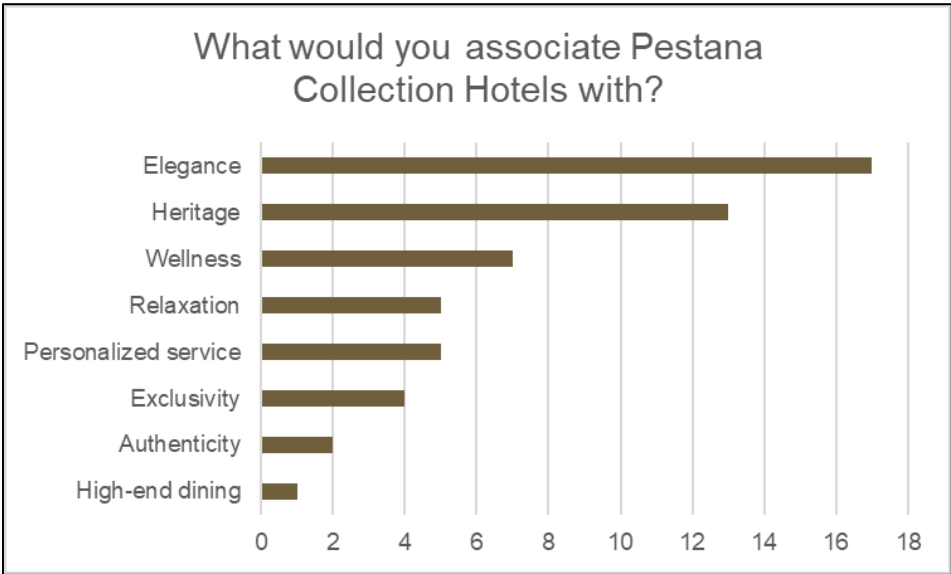
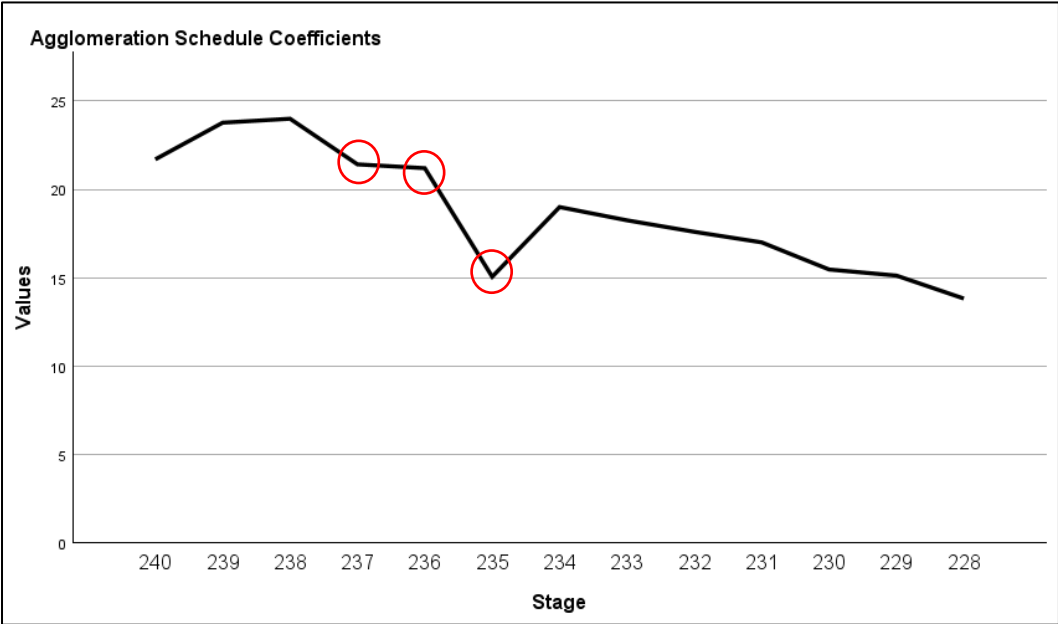


Figure 8- Average level of Satisfaction of PCH guests during their stay.
Source: Qualtrics (2024).

Average level of satisfaction	Pestana Cascais	Cidadelas Pestana Palace Lisboa	Pestana Vintage Porto	Pestana Freixo	Palacio Do Pestana Plaza Mayor	Total
Location	5	4,45	4,7	4,25	4,25	22,65
Staff	3,65	4,85	4,3	4,5	4	21,3
Facilities	3,65	4,3	4,15	4,5	4	20,6
Price	3,35	3,45	2	4,5	3,5	16,8
Service	3,65	4,15	3	4,25	4,25	19,3
Gastronomy	3,35	4	4	4,5	3,5	19,35
Hotel's historical significance	4,35	4,55	4,45	4,5	3,75	21,6
Decoration	4,35	4,7	4	4,75	4	21,8
Amenities	3,65	4,15	3,85	4,5	4,25	20,4
Wellness center	3,65	4,15	3,45	4,25	3,25	18,75
Room size	4,35	4,15	3,7	4,25	4,25	20,7
Outdoor Pool	3,35	3,7		3,75	3,75	14,55
Total	46,35	50,6	41,6	52,5	46,75	237,8

Appendix G: Cluster Analysis

Graph 1- Hierarchical Cluster Analysis - Key Factors for Booking Hotel Stays
Source: SPSS (2024).



Graph 2- Hierarchical Cluster Analysis - Preferred Channels for Receiving Hotel Promotions
Source: SPSS (2024).

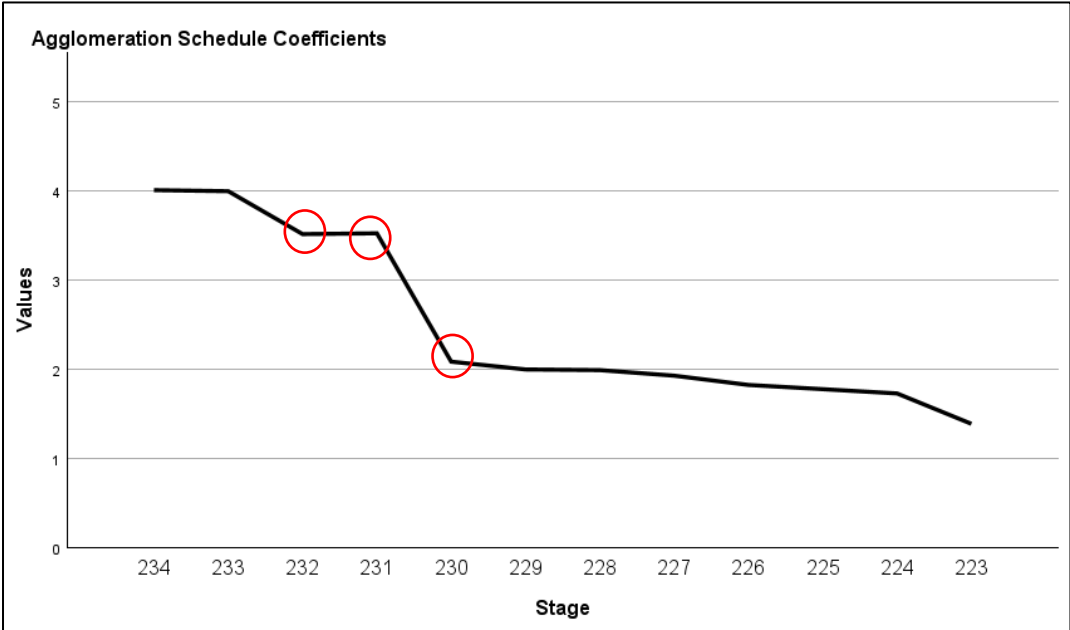


Table 1- K-Means ANOVA Table - Key Factors for Booking Hotel Stays (all variables)
Source: SPSS (2024).

ANOVA						
	Cluster		Error		F	Sig.
	Mean Squares	df	Mean Squares	df		
Location	1,500	2	,500	238	3,000	,052
Price	,627	2	,473	238	1,326	,268
Service	26,897	2	,381	238	70,621	<,001
Gastronomy	31,752	2	,542	238	58,632	<,001
Welness_center	50,813	2	,716	238	71,000	<,001
Friendly_Staff	15,511	2	,443	238	35,020	<,001
Reviews	12,227	2	,733	238	16,679	<,001
Room_Size	8,555	2	,514	238	16,656	<,001
Event_Spaces	25,000	2	,950	238	26,326	<,001
Outdoor_pool	57,841	2	,848	238	68,243	<,001

Table 1.1- K-Means ANOVA Table - Key Factors for Booking Hotel Stays (without Price and Location)
Source: SPSS (2024).

ANOVA						
	Cluster		Error		F	Sig.
	Mean Squares	df	Mean Squares	df		
Service	18,280	2	,453	238	40,330	<,001
Gastronomy	28,674	2	,567	238	50,535	<,001
Welness_center	51,586	2	,709	238	72,739	<,001
Friendly_Staff	13,975	2	,456	238	30,658	<,001
Reviews	20,394	2	,664	238	30,692	<,001
Room_Size	9,890	2	,502	238	19,683	<,001
Event_Spaces	28,064	2	,924	238	30,376	<,001
Outdoor_pool	59,348	2	,835	238	71,084	<,001

Chart 1- Cluster groups among Key Factors for Booking 4-5 Star Hotel Stays
Source: SPSS (2024).

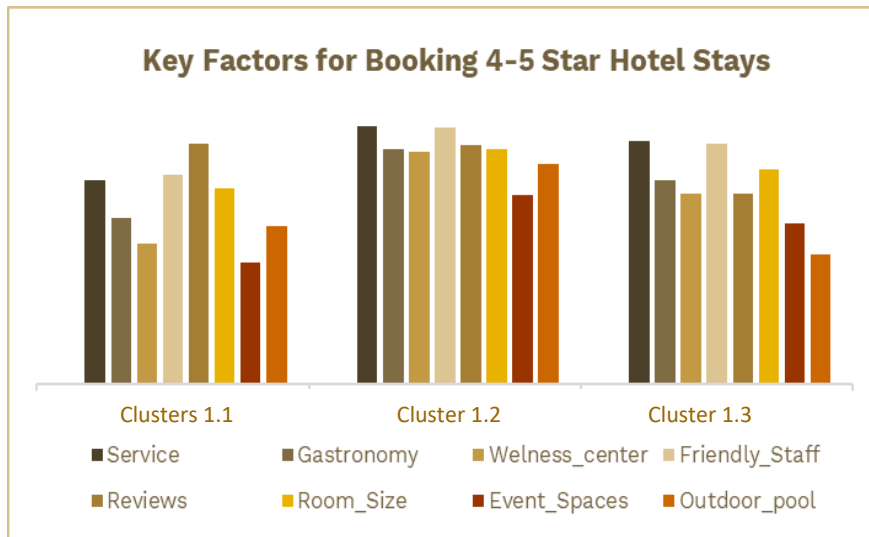


Chart 1.1- Nationality Distribution among Cluster Groups for Key Factors for Booking 4-5 Star Hotel Stays
Source: SPSS (2024).

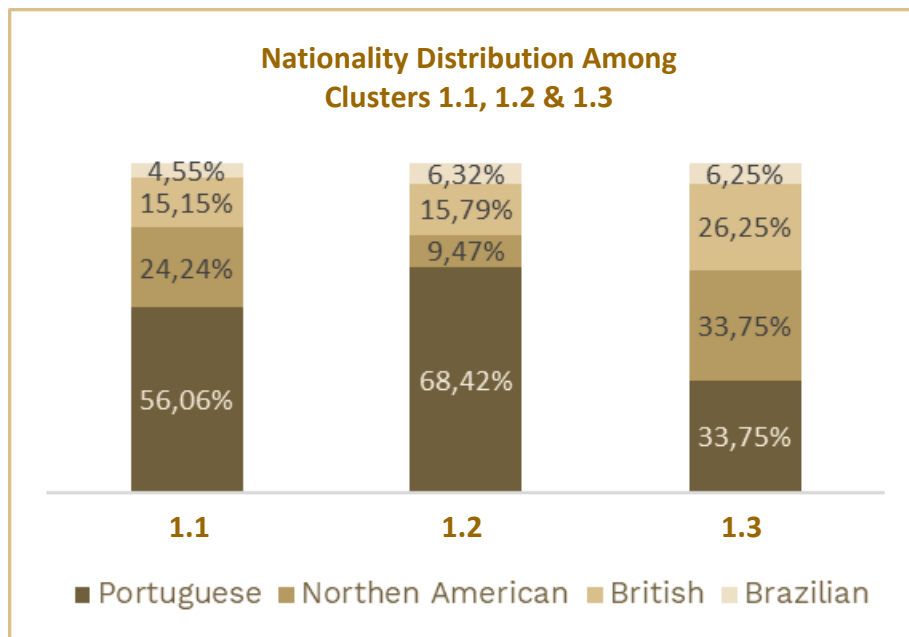


Table 2- *K-Means ANOVA Table - Preferred Channels for Receiving Hotel Promotions (all variables)*

Source: SPSS (2024).

ANOVA						
	Cluster		Error		F	Sig.
	Mean Squares	df	Mean Squares	df		
Email	6,783	2	,076	232	89,366	<,001
Google	,583	2	,114	232	5,107	,007
Facebook	,263	2	,062	232	4,240	,016
Instagram	11,557	2	,077	232	149,522	<,001
Tiktok	,594	2	,063	232	9,450	<,001
SMS	,017	2	,096	232	,179	,836
TV	,359	2	,038	232	9,400	<,001
Magazines & Newspapers	5,541	2	,024	232	232,123	<,001
Blogs	4,311	2	,031	232	139,952	<,001
OOH	,384	2	,050	232	7,733	<,001

Table 2.1- *K-Means ANOVA Table – Preferred Channels for Receiving Hotel Promotions (without Google, Facebook, SMS)*

Source: SPSS (2024).

ANOVA						
	Cluster		Error		F	Sig.
	Mean Squares	df	Mean Squares	df		
Email	6,458	2	,079	232	82,056	<,001
Instagram	12,400	2	,070	232	177,052	<,001
Tiktok	,656	2	,062	232	10,522	<,001
TV	,334	2	,038	232	8,708	<,001
Magazines_ Newspapers	8,311	2	,000	232	.	.
Blogs	1,352	2	,056	232	24,007	<,001
OOH	,321	2	,050	232	6,397	,002

Table 2.1.1- Number of Cases in Each Cluster – Preferred Channels for Receiving Hotel Promotions

Source: SPSS (2024).

Number of Cases in Each Cluster		
Cluster	1	18,000
	2	61,000
	3	156,000
Valid		235,000
Missing		6,000

Table 2.1.2- Final Cluster Centers – Preferred Channels for Receiving Hotel Promotions

Source: SPSS (2024).

Final Cluster Centers			
	Cluster		
	1	2	3
Email	1	0	1
Instagram	0	1	0
Tiktok	0	0	0
TV	0	0	0
Magazines_Newspapers	1	0	0
Blogs	0	0	0
OOH	0	0	0

Table 2.2- K-Means ANOVA Table – (without Google, Facebook, SMS, Magazines & Newspapers, OOH, TV)

Source: SPSS (2024).

ANOVA						
	Cluster		Error		F	Sig.
	Mean Squares	df	Mean Squares	df		
Email	3,179	1	,120	233	26,454	<,001
Instagram	40,065	1	,004	233	9511,357	<,001
Tiktok	2,450	1	,057	233	42,847	<,001
Blogs	,893	1	,064	233	13,982	<,001

Chart 2- Cluster groups among Preferred channels For Receiving Hotel Promotions
Source: SPSS (2024).

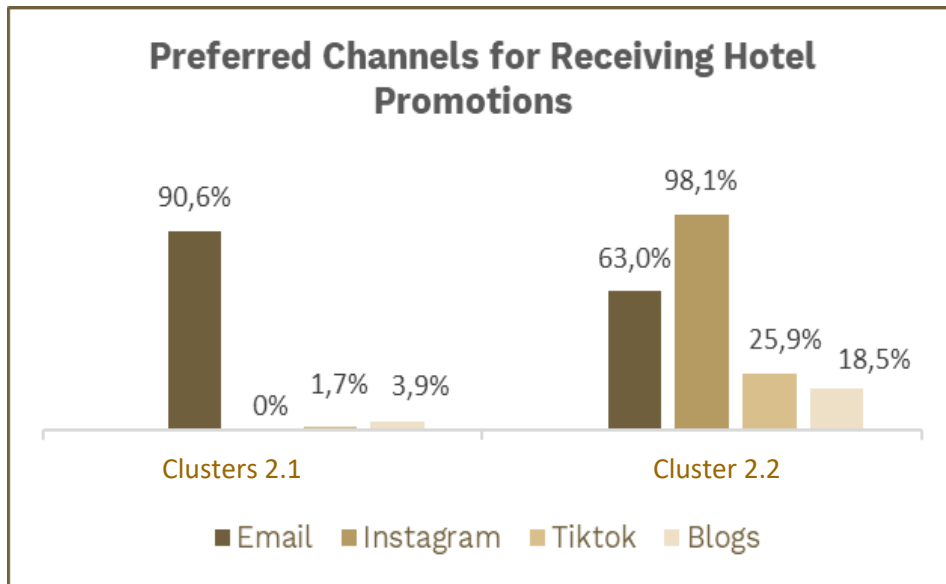
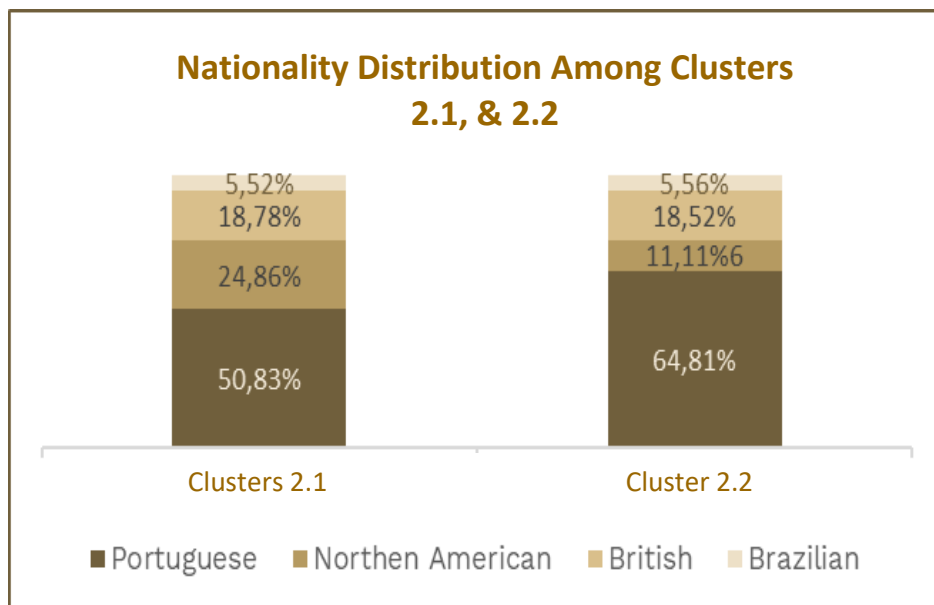


Chart 2.1- Nationality Distribution among Cluster groups for Preferred channels For Receiving Hotel Promotions
Source: SPSS (2024).



Appendix H: Marketing Strategy

Figure 1- PCH Segmentation Data

Source: Author's Creation

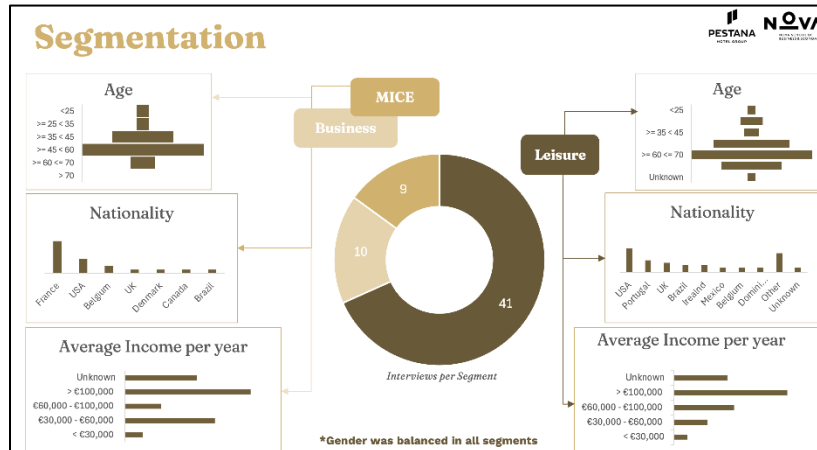


Figure 2- PCH Targeting Data

Source: Author's Creation

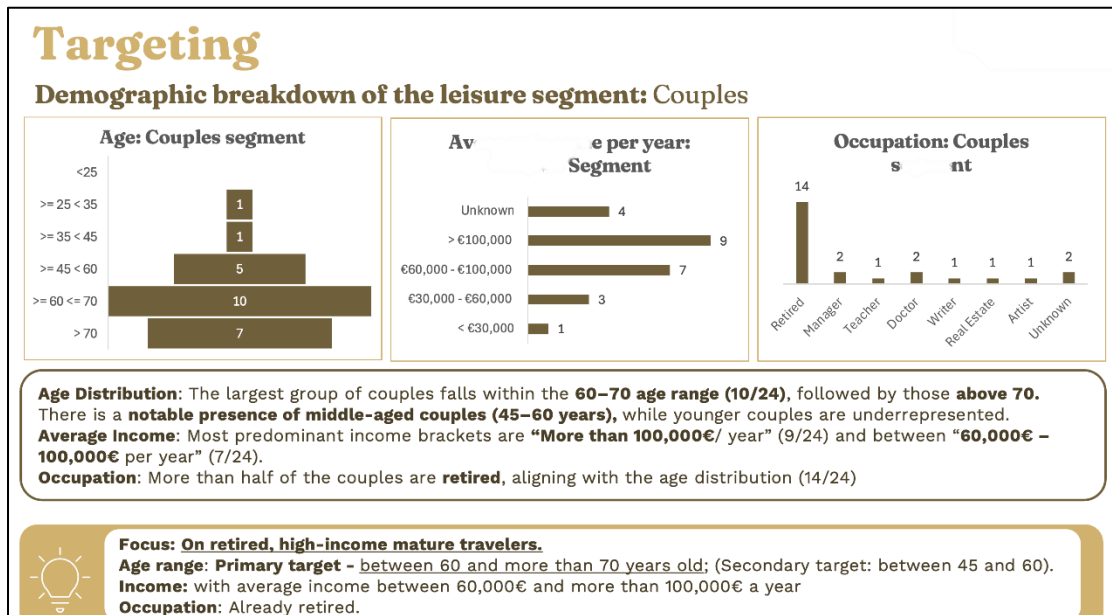


Figure 3- PCH Targets according to Nationality
Source: Author's Creation

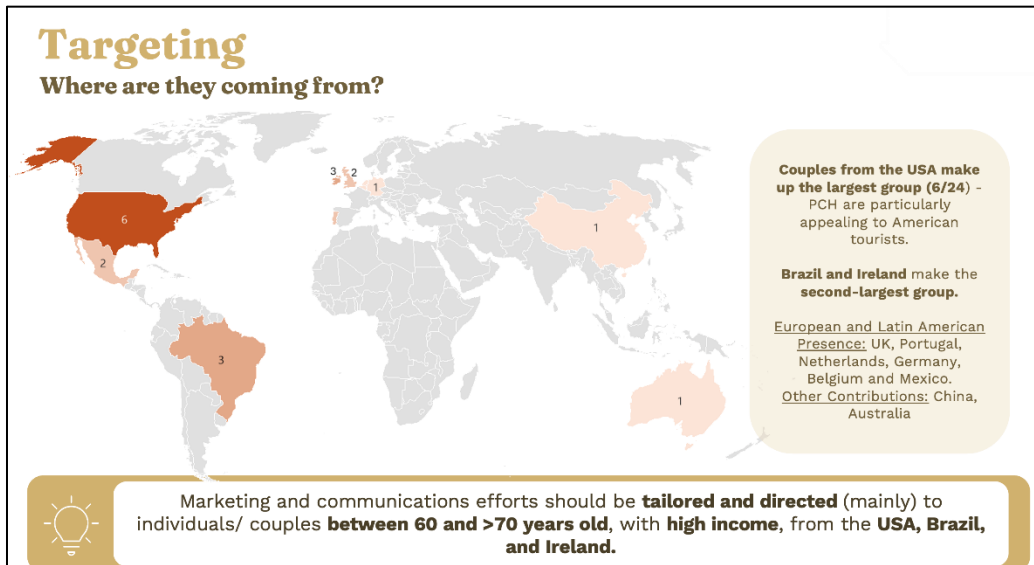


Figure 4- Alternative Redesigns of PCH Logo for Brand Architecture Changes
Source: Author's Creation



Figure 5- “Physical Evidence” – Example of Sleep Kit for Benchmark from Infante Sagres Hospes Hotel

Source: Author’s Creation



Figure 6- “People” Element of Marketing Mix – The Collection Standards

Source: Author's Creation

The Collection Standard

- 1. Warm Welcomes, Genuine Connections*** – its in the small details, spoil your guest with treats and attention (e.g. welcome drink, welcome treat and sleep kit)
- 2. Celebrating Heritage in Every Detail*** – while walking the guest to their room tell them the history of the building
- 3. Local Expertise & Tailored Recommendations*** – make sure each guest’s needs are met, inside and outside the hotel.

The service blueprint aims to enhance the customer experience by providing a more cohesive and differentiated service across Pestana Collection Hotels. It will focus on aligning front-stage activities, backstage activities, and support processes to elevate the overall PCH brand

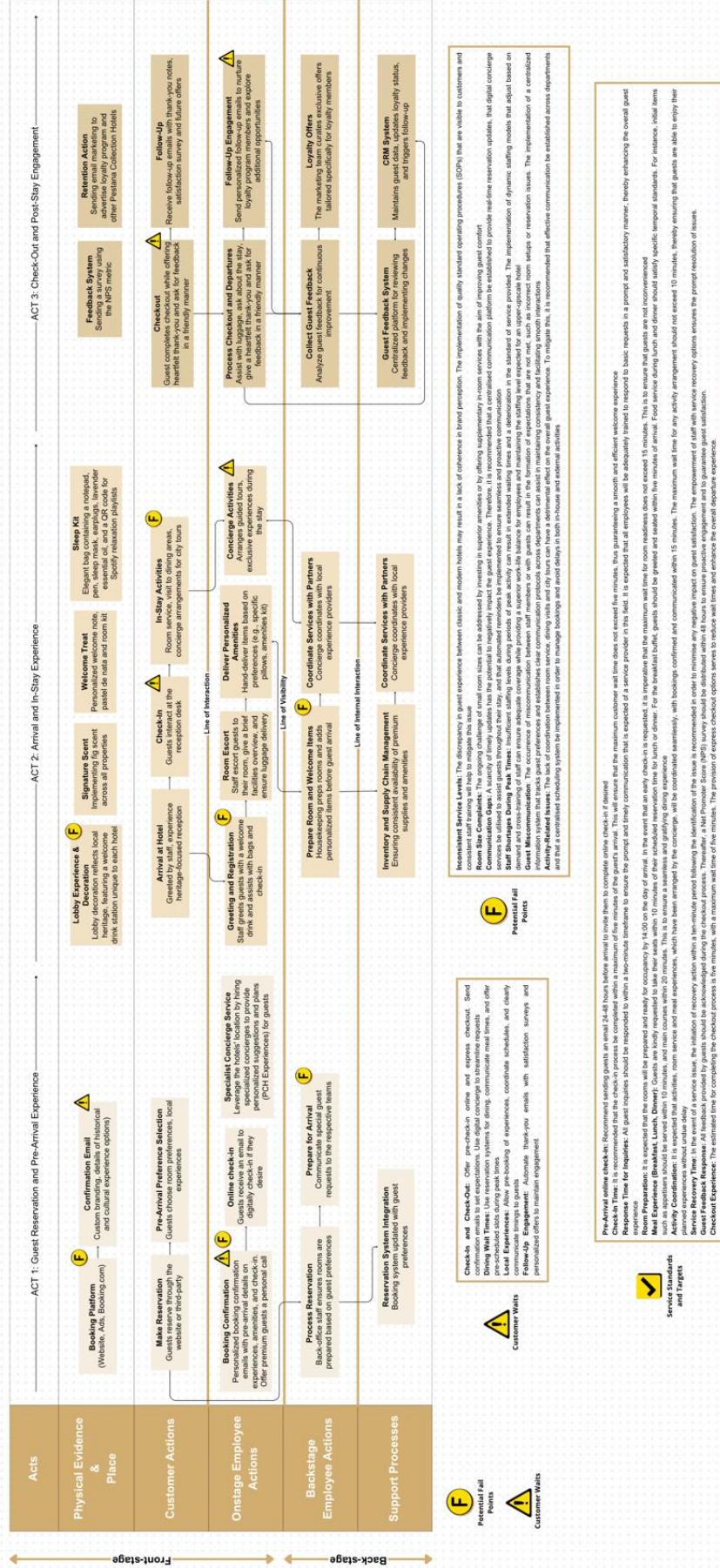


Figure 7 - Process Blueprint
Source: Author's Creation.

Appendix I: IMC Strategies Additional Tables

Table 1- Behavioural Sequence Model

Source: Author's Creation

	DECISION STAGE						
	Need Arousal	Identify possible options	Evaluate Options	Decide on Destination	Book Holiday	Take Trip	Post Holiday Evaluation
Individuals involved and decision roles	Initiator Family: anyone or all Couple: either or both Travel agent as initiator	Influencer: Family: sons or daughters who saw posts or ads on social media or mother/father who saw ads Couple: individual who did most research or WOM from friends/family Travel agent as influencer	Decider: Family: mother or father Couple: self or companion or both Travel agent as decider	Decider: Family: mother or father Couple: self, or companion or both	Purchaser: Family: mother or father Couple: self, or companion Travel agent as purchaser	User: Family: all Couple: both	User: Family: all Couple: both
Where stage is likely to occur	Home, friends, travel agency, social media/browsing online	Home, friends, travel agency, browsing online	Home and travel agency	Home & travel agency	Home & travel agency	Destination	Almost anywhere
Timing of stage	2-4 months prior to holiday	Immediately or shortly after arousal	Over 2-4 weeks after arousal (depending on size of trip)	Within 4 weeks of need arousal	Within 1 week of choice	2-3 months after booking (depending on size of trip)	After holiday
How stage is likely to occur	Talk with friends, see advertisement, talk with travel agent, find content while browsing online	Ask friends/family, see ads, browse online, talk with travel agent	Call or write to destinations, see ads, see reviews, talk to friends/family,	Compare costs, location or other important factors, availability, activities, etc.	Book directly, book online, call travel agent	Travel to destination, experience it	Tell friends and family, write reviews online, reminded when seeing content online or in ads

Table 2- PCH Creative Brief

Source: Author’s Creation

Creative Target	Leisure travelers, both couples and families (the deciders)
Media	Social media (Instagram, Facebook), Website, OOH (billboards), Digital Media (Display Ads)
Media Target	Men & women, 45 -70 years old, high income from Portugal, UK, USA & Brazil. Travelers who appreciate the fine details in luxury tourism.
Action Objectives	(1) Pre-purchase – generate interest in brand reflected by traffic in social media & website (2) Purchase & Repurchase – convert interest into purchases and first-time guests & converting those into repeating guests in other Collection hotels (3) Post-purchase – recommendation & WOM via direct reviews online or via recommendation to social network (friends or family)
Communication Objectives	OBSs & OBLs (1) Brand Awareness (Recognition & Recall) (2) Brand Attitude- create (3) Brand Purchase Intention (Generate)
Positioning Statement	To affluent travelers seeking unique and enriching experiences, Pestana Collection Hotels, a premium hospitality brand, offers unparalleled stays in exclusive, historically rich properties that provide personalized, luxurious experiences, because our heritage-inspired properties, tailored services like pillow menus and touristic guides, and the unified brand experience ensure a memorable and transformative escape.
Mandatory Content	Images: Inspirational images of the historical buildings, the views they have, their prime location. Highlight some branding from PCH Music & Sound: inspirational but luxurious music emulating the energy of the hotels Editing: seamless editing melding the different hotels together, as if one. We want to see the brand, not the hotels one by one.

Table 3- Detailed Media Budget for 2025

Source: Author’s Creation

Month	Promotion cost assumptions- 2025											
	January	February	March	April	May	June	July	August	September	October	November	December
Step into a different world campaign												
Facebook Ads		500,00	500,00	500,00	600,00	400,00	400,00	300,00	300,00	300,00	0,00	0,00
Instagram Ads		500,00	500,00	600,00	600,00	500,00	400,00	300,00	300,00	300,00	0,00	0,00
Total Social Media Ads		1 000,00	1 000,00	1 100,00	1 200,00	900,00	800,00	600,00	600,00	600,00	0,00	0,00
Hero-video (Website's homepage)	2 000,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Display Ads		700,00	700,00	800,00	800,00	700,00	700,00	600,00	500,00	400,00	0,00	0,00
Youtube Ads		500,00	500,00	600,00	600,00	600,00	500,00	500,00	500,00	400,00	400,00	400,00
Billboard		0,00	0,00	778,12	778,12	778,12	778,12	778,12	778,12	778,12	0,00	0,00
No. of billboards		0,00	0,00	5,00	10,00	10,00	10,00	10,00	5,00	5,00	0,00	0,00
Total cost of Billboard		0,00	0,00	3 890,60	7 781,20	7 781,20	7 781,20	7 781,20	3 890,60	3 890,60	0,00	0,00
Total promotional activity 1	2 000,00 	2 200,00 	2 200,00 	6 390,60 	10 381,20 	9 981,20 	9 781,20 	9 481,20 	5 490,60 	5 290,60 	400,00 	400,00
Other promotions												
Facebook Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00	300,00
Instagram Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	400,00	400,00	300,00
Total Social Media Ads	800,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	900,00	900,00	600,00
Display Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00
Youtube Ads	400,00						0,00	0,00	0,00	0,00	500,00	500,00
Total promotional activity 2	1 200,00 	0,00 	0,00 	0,00 	0,00 	0,00 	0,00 	0,00 	0,00 	900,00 	1 900,00 	1 600,00
Total promotion costs (by month)	3 200 	2 200 	2 200 	6 391 	10 381 	9 981 	9 781 	9 481 	5 491 	6 191 	2 300 	2 000
Total promotion costs (2025)	69 597 											

Table 4- Implementation Plan Priority 1 & 2

Source: Author's Creation

Marketing Mix Initiatives	2025												2026											
	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez
In & Out Collection Packages	[Gantt bar: Jan 2025 - Dec 2026]																							
Room Upgrade Menu	[Gantt bar: Jan 2025 - Dec 2026]																							
Restructure & Relaunch Website	[Gantt bar: Jan 2025 - Dec 2026]																							
Partnerships with Travel Agencies	[Gantt bar: Mar 2025 - Dec 2026]																							
Sleep Well Kit	[Gantt bar: Jun 2025 - Dec 2026]																							
Welcome Treat	[Gantt bar: Mar 2025 - Dec 2026]																							
Signature Scent	[Gantt bar: Oct 2025 - Dec 2026]																							
Regular Internal Meetings	[Gantt bar: Jan 2025 - Dec 2026]																							
The Collection Standard	[Gantt bar: Jan 2025 - Dec 2026]																							
Specialist Concierge	[Gantt bar: Feb 2025 - Dec 2026]																							
Follow Up Emails & Calls	[Gantt bar: Jan 2025 - Dec 2026]																							
Welcome Drink	[Gantt bar: Mar 2025 - Dec 2026]																							

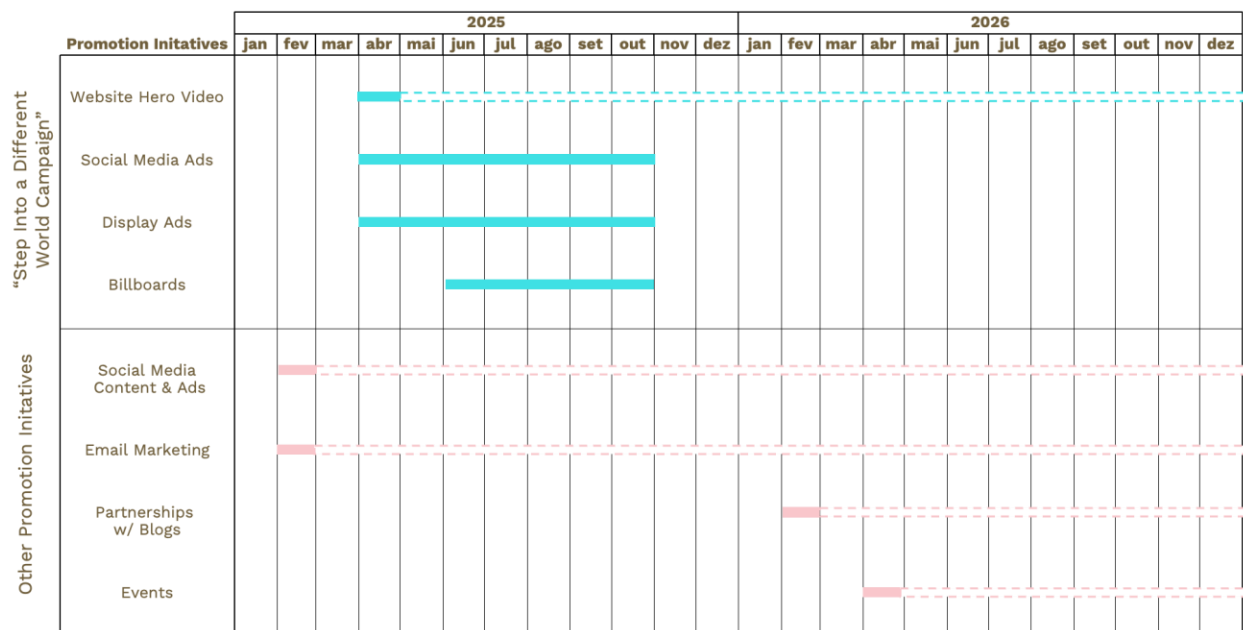
Table 5- Implementation Plan Priority 3

Source: Author's Creation

Priority 3 Initiatives	2025												2026											
	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez	jan	fev	mar	abr	mai	jun	jul	ago	set	out	nov	dez
PCH Menu	[Gantt bar: Apr 2026 - Dec 2026]																							
OTA Partnerships	[Gantt bar: Apr 2026 - Dec 2026]																							
Update Decoration	[Gantt bar: Nov 2025 - Dec 2025]																							
Feedback System	[Gantt bar: Apr 2025 - Dec 2025]																							
Employee Recognition	[Gantt bar: Dec 2025 - Dec 2025]																							
Mid-Stay Check Ups	[Gantt bar: Jan 2025 - Dec 2025]																							

Table 6- Promotion Implementation Plan

Source: Author’s Creation



Appendix J: Financials

Figure 1 – New implementations prices and pricing strategies

Source: Author’s creation

Priority	Strategy	Product/Service	Price
1	Cross-selling	Signature In-Hotel Moments – Dinner + spa package	€ 150/pax
		Signature In-Hotel Moments – in room spa package	€100/pax
1	Bundling Packages	Guided Location-Based Experiences (partnership with travel agency charging 20% commission)	Hotel Cidadela Cascais Tour = €180 Pestana Vintage Porto=€85 Pestana A Brasileira = €85 Pestana Plaza Mayor = €170 Pestana Palacio Do Freixo = €115 Pestana Palace = €70
2	Upselling	In-Room Extra Comfort	Linen/Sateen bed settings = € 150 (each)
3	Benchmarking	PCH Menu	€ 70 per person

Figure 2 – 2025 Profit and Loss statement

Source: Author’s creation

Profit and Loss Statement	2025												Total
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			
	January	February	March	April	May	June	July	August	September	October	November	December	
Month	70%	70%	70%	80%	80%	80%	85%	85%	85%	80%	80%	80%	
Occupancy Rate	70%	70%	70%	80%	80%	80%	85%	85%	85%	80%	80%	80%	
Revenue	€ 762 405,00	€ 762 405,00	€ 762 405,00	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 925 777,50	€ 925 777,50	€ 925 777,50	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 10 292 467,50
DC sales	€ 228 721,50	€ 228 721,50	€ 228 721,50	€ 261 396,00	€ 261 396,00	€ 261 396,00	€ 277 733,25	€ 277 733,25	€ 277 733,25	€ 261 396,00	€ 261 396,00	€ 261 396,00	€ 3 087 740,25
Online sales	€ 312 586,05	€ 312 586,05	€ 312 586,05	€ 357 241,20	€ 357 241,20	€ 357 241,20	€ 379 568,78	€ 379 568,78	€ 379 568,78	€ 357 241,20	€ 357 241,20	€ 357 241,20	€ 4 219 911,68
Online sales - booking.com	€ 62 517,21	€ 62 517,21	€ 62 517,21	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 75 913,76	€ 75 913,76	€ 75 913,76	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 843 982,34
Online sales - other platforms	€ 250 068,84	€ 250 068,84	€ 250 068,84	€ 285 792,96	€ 285 792,96	€ 285 792,96	€ 303 655,02	€ 303 655,02	€ 303 655,02	€ 285 792,96	€ 285 792,96	€ 285 792,96	€ 3 375 929,34
Third-party sales	€ 221 097,45	€ 221 097,45	€ 221 097,45	€ 252 682,80	€ 252 682,80	€ 252 682,80	€ 268 475,48	€ 268 475,48	€ 268 475,48	€ 252 682,80	€ 252 682,80	€ 252 682,80	€ 2 984 815,58
Total Sales	€ 762 405,00	€ 762 405,00	€ 762 405,00	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 925 777,50	€ 925 777,50	€ 925 777,50	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 10 292 467,50
Sales Commissions paid to OTAs	€ 62 517,21	€ 62 517,21	€ 62 517,21	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 75 913,76	€ 75 913,76	€ 75 913,76	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 843 982,34
Sales commissions to third-party sellers	€ 22 109,75	€ 22 109,75	€ 22 109,75	€ 25 268,28	€ 25 268,28	€ 25 268,28	€ 26 847,55	€ 26 847,55	€ 26 847,55	€ 25 268,28	€ 25 268,28	€ 25 268,28	€ 298 481,56
Total Discounts/ Commissions	€ 84 626,96	€ 84 626,96	€ 84 626,96	€ 96 716,52	€ 96 716,52	€ 96 716,52	€ 102 761,30	€ 102 761,30	€ 102 761,30	€ 96 716,52	€ 96 716,52	€ 96 716,52	€ 1 142 463,89
Less Discounts/Commissions	€ 677 778,05	€ 677 778,05	€ 677 778,05	€ 774 603,48	€ 774 603,48	€ 774 603,48	€ 823 016,20	€ 823 016,20	€ 823 016,20	€ 774 603,48	€ 774 603,48	€ 774 603,48	€ 9 150 003,61
Additional sources of revenues													
In-room extra comfort	€ 17 262,00	€ 17 262,00	€ 17 262,00	€ 19 728,00	€ 19 728,00	€ 19 728,00	€ 20 961,00	€ 20 961,00	€ 20 961,00	€ 19 728,00	€ 19 728,00	€ 19 728,00	€ 233 037,00
Signature in-hotel moments													
Dinner + Spa package	€ 12 946,50	€ 12 946,50	€ 12 946,50	€ 14 796,00	€ 14 796,00	€ 14 796,00	€ 15 720,75	€ 15 720,75	€ 15 720,75	€ 14 796,00	€ 14 796,00	€ 14 796,00	€ 174 777,75
In-room wellness treatment	€ 8 631,00	€ 8 631,00	€ 8 631,00	€ 9 864,00	€ 9 864,00	€ 9 864,00	€ 10 480,50	€ 10 480,50	€ 10 480,50	€ 9 864,00	€ 9 864,00	€ 9 864,00	€ 116 518,50
Gastronomy Menu			€ 24 339,42	€ 27 816,48	€ 27 816,48	€ 27 816,48	€ 29 555,01	€ 29 555,01	€ 29 555,01	€ 27 816,48	€ 27 816,48	€ 27 816,48	€ 279 903,33
Guided location-based experiences			€ 24 339,42	€ 27 816,48	€ 27 816,48	€ 27 816,48	€ 29 555,01	€ 29 555,01	€ 29 555,01	€ 27 816,48	€ 27 816,48	€ 27 816,48	€ 279 903,33
Total other revenue	€ 38 839,50	€ 38 839,50	€ 49 178,92	€ 57 360,96	€ 57 360,96	€ 57 360,96	€ 61 717,26	€ 61 717,26	€ 61 717,26	€ 57 360,96	€ 57 360,96	€ 57 360,96	€ 694 236,58
Total revenue	€ 716 617,55	€ 716 617,55	€ 740 956,97	€ 846 807,96	€ 846 807,96	€ 846 807,96	€ 899 733,46	€ 899 733,46	€ 899 733,46	€ 846 807,96	€ 846 807,96	€ 846 807,96	€ 9 954 240,19
Cost of Goods Sold (COGS)	€ 71 661,75	€ 71 661,75	€ 74 095,70	€ 84 680,80	€ 84 680,80	€ 84 680,80	€ 89 973,35	€ 89 973,35	€ 89 973,35	€ 84 680,80	€ 84 680,80	€ 84 680,80	€ 995 424,02
Gross profit	€ 644 955,79	€ 644 955,79	€ 666 861,27	€ 762 127,16	€ 762 127,16	€ 762 127,16	€ 809 760,11	€ 809 760,11	€ 809 760,11	€ 762 127,16	€ 762 127,16	€ 762 127,16	€ 8 958 816,17
Operating Expenses													
Bed settings	€ 1 864,30	€ 1 864,30	€ 1 864,30	€ 2 130,62	€ 2 130,62	€ 2 130,62	€ 2 263,79	€ 2 263,79	€ 2 263,79	€ 2 130,62	€ 2 130,62	€ 2 130,62	€ 25 168,00
Welcome pack	€ 1 300,40	€ 1 300,40	€ 1 300,40	€ 1 486,18	€ 1 486,18	€ 1 486,18	€ 1 579,06	€ 1 579,06	€ 1 579,06	€ 1 486,18	€ 1 486,18	€ 1 486,18	€ 17 555,45
Total Operating expenses	€ 3 164,70	€ 3 164,70	€ 3 164,70	€ 3 616,80	€ 3 616,80	€ 3 616,80	€ 3 842,85	€ 3 842,85	€ 3 842,85	€ 3 616,80	€ 3 616,80	€ 3 616,80	€ 42 723,45
General & Administrative	€ 35 830,88	€ 35 830,88	€ 37 047,85	€ 42 340,40	€ 42 340,40	€ 42 340,40	€ 44 986,67	€ 44 986,67	€ 44 986,67	€ 42 340,40	€ 42 340,40	€ 42 340,40	€ 497 712,01
Advertising & Promotion expenses													
Promotion - General	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 30 000,00	€ 360 000,00
Promotion - New campaign	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 4 600,00	€ 76 800,00
Promotion - Other	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 1 600,00	€ 19 200,00
Total Advertising expenses	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 36 200,00	€ 436 000,00
Website expenses	€ 9 600,00												€ 9 600,00
Employment Expenses													
Concierge	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 15 600,00
Designer													€ 2 500,00
Total employment expense	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 1 300,00	€ 18 100,00
Total occupancy Costs	€ 74 095,70	€ 74 095,70	€ 74 095,70	€ 84 680,80	€ 84 680,80	€ 84 680,80	€ 89 973,35	€ 89 973,35	€ 89 973,35	€ 84 680,80	€ 84 680,80	€ 84 680,80	€ 1 000 291,90
Total expenses	€ 151 808,24	€ 151 808,24	€ 151 808,24	€ 191 225,35	€ 191 225,35	€ 191 225,35	€ 195 255,87	€ 195 255,87	€ 195 255,87	€ 172 428,59	€ 172 428,59	€ 172 428,59	€ 2 134 654,18
Income tax before tax	€ 515 053,02	€ 515 053,02	€ 515 053,02	€ 570 901,81	€ 570 901,81	€ 570 901,81	€ 614 504,24	€ 614 504,24	€ 614 504,24	€ 589 698,57	€ 589 698,57	€ 589 698,57	€ 6 945 657,50
Income Tax	€ 108 161,13	€ 108 161,13	€ 108 161,13	€ 119 889,38	€ 119 889,38	€ 119 889,38	€ 124 359,73	€ 124 359,73	€ 124 359,73	€ 123 836,70	€ 123 836,70	€ 123 836,70	€ 1 458 588,07
Net profit after tax	€ 406 891,89	€ 406 891,89	€ 406 891,89	€ 451 012,43	€ 451 012,43	€ 451 012,43	€ 485 458,35	€ 485 458,35	€ 485 458,35	€ 465 861,87	€ 465 861,87	€ 465 861,87	€ 5 425 698,62

Figure 3 – 2026 Profit and Loss statement

Source: Author’s creation

Profit and Loss Statement	2026												Total
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			
	January	February	March	April	May	June	July	August	September	October	November	December	
Month	70%	70%	70%	80%	80%	80%	85%	85%	85%	80%	80%	80%	
Occupancy Rate	70%	70%	70%	80%	80%	80%	85%	85%	85%	80%	80%	80%	
Revenue	€ 762 405,00	€ 762 405,00	€ 762 405,00	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 925 777,50	€ 925 777,50	€ 925 777,50	€ 871 320,00	€ 871 320,00	€ 871 320,00	€ 10 292 467,50
DC sales	€ 228 721,50	€ 228 721,50	€ 228 721,50	€ 261 396,00	€ 261 396,00	€ 261 396,00	€ 277 733,25	€ 277 733,25	€ 277 733,25	€ 261 396,00	€ 261 396,00	€ 261 396,00	€ 3 087 740,25
Online sales	€ 312 586,05	€ 312 586,05	€ 312 586,05	€ 357 241,20	€ 357 241,20	€ 357 241,20	€ 379 568,78	€ 379 568,78	€ 379 568,78	€ 357 241,20	€ 357 241,20	€ 357 241,20	€ 4 219 911,68
Online sales - booking.com	€ 62 517,21	€ 62 517,21	€ 62 517,21	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 75 913,76	€ 75 913,76	€ 75 913,76	€ 71 448,24	€ 71 448,24	€ 71 448,24	€ 843 982,34
Online sales - other platforms	€ 250 068,84	€ 250 068,84	€ 250 068,84	€ 285 792,96	€ 285 792,96	€ 285 792,96	€ 303 655,02	€ 303 655,02	€ 303 655,02	€ 285 792,96	€ 285 792,96	€ 285 792,96	€ 3 375 929,34
Third-party sales	€ 221 097,45	€ 221 097,45	€ 221 097,45	€ 252 682,80	€ 252 682,80								

Figure 4 – 2027 Profit and Loss statement
Source: Author's creation

Profit and Loss Statement	2027												Total
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			
Month	January	February	March	April	May	June	July	August	September	October	November	December	
Occupancy Rate	70%	70%	70%	80%	80%	80%	85%	85%	85%	80%	80%	80%	
Revenue	€ 762,405.00	€ 762,405.00	€ 762,405.00	€ 871,320.00	€ 871,320.00	€ 871,320.00	€ 925,777.50	€ 925,777.50	€ 925,777.50	€ 871,320.00	€ 871,320.00	€ 871,320.00	€ 10,292,467.50
DC sales	€ 228,721.50	€ 228,721.50	€ 228,721.50	€ 261,396.00	€ 261,396.00	€ 261,396.00	€ 277,733.25	€ 277,733.25	€ 277,733.25	€ 261,396.00	€ 261,396.00	€ 261,396.00	€ 3,087,740.25
Online sales	€ 312,586.05	€ 312,586.05	€ 312,586.05	€ 357,241.20	€ 357,241.20	€ 357,241.20	€ 379,568.78	€ 379,568.78	€ 379,568.78	€ 357,241.20	€ 357,241.20	€ 357,241.20	€ 4,219,911.68
Online sales - booking.com	€ 62,517.21	€ 62,517.21	€ 62,517.21	€ 71,448.24	€ 71,448.24	€ 71,448.24	€ 75,913.76	€ 75,913.76	€ 75,913.76	€ 71,448.24	€ 71,448.24	€ 71,448.24	€ 843,982.34
Online sales - other platforms	€ 250,068.84	€ 250,068.84	€ 250,068.84	€ 285,792.96	€ 285,792.96	€ 285,792.96	€ 303,655.02	€ 303,655.02	€ 303,655.02	€ 285,792.96	€ 285,792.96	€ 285,792.96	€ 3,375,929.34
Third-party sales	€ 221,097.45	€ 221,097.45	€ 221,097.45	€ 252,682.80	€ 252,682.80	€ 252,682.80	€ 268,475.48	€ 268,475.48	€ 268,475.48	€ 252,682.80	€ 252,682.80	€ 252,682.80	€ 2,984,815.58
Total Sales	€ 762,405.00	€ 762,405.00	€ 762,405.00	€ 871,320.00	€ 871,320.00	€ 871,320.00	€ 925,777.50	€ 925,777.50	€ 925,777.50	€ 871,320.00	€ 871,320.00	€ 871,320.00	€ 10,292,467.50
Sales Commissions paid to OTAs	€ 62,517.21	€ 62,517.21	€ 62,517.21	€ 71,448.24	€ 71,448.24	€ 71,448.24	€ 75,913.76	€ 75,913.76	€ 75,913.76	€ 71,448.24	€ 71,448.24	€ 71,448.24	€ 843,982.34
Sales commissions to third-party sellers	€ 22,109.75	€ 22,109.75	€ 22,109.75	€ 25,268.28	€ 25,268.28	€ 25,268.28	€ 26,847.55	€ 26,847.55	€ 26,847.55	€ 25,268.28	€ 25,268.28	€ 25,268.28	€ 298,481.56
Total Discounts/Commissions	€ 84,626.96	€ 84,626.96	€ 84,626.96	€ 96,716.52	€ 96,716.52	€ 96,716.52	€ 102,761.30	€ 102,761.30	€ 102,761.30	€ 96,716.52	€ 96,716.52	€ 96,716.52	€ 1,142,463.89
Less Discounts/Commissions	€ 677,778.05	€ 677,778.05	€ 677,778.05	€ 774,603.48	€ 774,603.48	€ 774,603.48	€ 823,016.20	€ 823,016.20	€ 823,016.20	€ 774,603.48	€ 774,603.48	€ 774,603.48	€ 9,150,003.61
Additional sources of revenues													
In-room extra comfort	€ 17,262.00	€ 17,262.00	€ 17,262.00	€ 19,728.00	€ 19,728.00	€ 19,728.00	€ 20,961.00	€ 20,961.00	€ 20,961.00	€ 19,728.00	€ 19,728.00	€ 19,728.00	€ 233,037.00
Signature in-hotel moments													
Dinner + Spa package	€ 12,946.50	€ 12,946.50	€ 12,946.50	€ 14,796.00	€ 14,796.00	€ 14,796.00	€ 15,720.75	€ 15,720.75	€ 15,720.75	€ 14,796.00	€ 14,796.00	€ 14,796.00	€ 174,777.75
In-room wellness treatment	€ 8,631.00	€ 8,631.00	€ 8,631.00	€ 9,864.00	€ 9,864.00	€ 9,864.00	€ 10,480.50	€ 10,480.50	€ 10,480.50	€ 9,864.00	€ 9,864.00	€ 9,864.00	€ 116,518.50
Gastronomy Menu	€ 6,041.70	€ 6,041.70	€ 6,041.70	€ 6,904.80	€ 6,904.80	€ 6,904.80	€ 7,336.35	€ 7,336.35	€ 7,336.35	€ 6,904.80	€ 6,904.80	€ 6,904.80	€ 81,562.95
Guided location-based experiences	€ 24,339.42	€ 24,339.42	€ 24,339.42	€ 27,816.48	€ 27,816.48	€ 27,816.48	€ 29,555.01	€ 29,555.01	€ 29,555.01	€ 27,816.48	€ 27,816.48	€ 27,816.48	€ 328,582.17
Total other revenue	€ 63,178.92	€ 63,178.92	€ 63,178.92	€ 72,204.48	€ 72,204.48	€ 72,204.48	€ 76,717.26	€ 76,717.26	€ 76,717.26	€ 72,204.48	€ 72,204.48	€ 72,204.48	€ 852,915.42
Total revenue	€ 740,956.97	€ 740,956.97	€ 740,956.97	€ 846,807.96	€ 846,807.96	€ 846,807.96	€ 899,733.46	€ 899,733.46	€ 899,733.46	€ 846,807.96	€ 846,807.96	€ 846,807.96	€ 10,002,919.03
Cost of Goods Sold (COGS)	€ 74,095.70	€ 74,095.70	€ 74,095.70	€ 84,680.80	€ 84,680.80	€ 84,680.80	€ 89,973.35	€ 89,973.35	€ 89,973.35	€ 84,680.80	€ 84,680.80	€ 84,680.80	€ 1,000,291.90
Gross profit	€ 666,861.27	€ 666,861.27	€ 666,861.27	€ 762,127.16	€ 762,127.16	€ 762,127.16	€ 809,760.11	€ 809,760.11	€ 809,760.11	€ 762,127.16	€ 762,127.16	€ 762,127.16	€ 9,002,627.12
Operating Expenses													
Bed settings	€ 1,864.30	€ 1,864.30	€ 1,864.30	€ 2,130.62	€ 2,130.62	€ 2,130.62	€ 2,263.79	€ 2,263.79	€ 2,263.79	€ 2,130.62	€ 2,130.62	€ 2,130.62	€ 25,168.00
Welcome pack	€ 1,300.40	€ 1,300.40	€ 1,300.40	€ 1,486.18	€ 1,486.18	€ 1,486.18	€ 1,579.06	€ 1,579.06	€ 1,579.06	€ 1,486.18	€ 1,486.18	€ 1,486.18	€ 17,555.45
Total Operating expenses	€ 3,164.70	€ 3,164.70	€ 3,164.70	€ 3,616.80	€ 3,616.80	€ 3,616.80	€ 3,842.85	€ 3,842.85	€ 3,842.85	€ 3,616.80	€ 3,616.80	€ 3,616.80	€ 42,723.45
General & Administrative	€ 37,047.85	€ 37,047.85	€ 37,047.85	€ 42,340.40	€ 42,340.40	€ 42,340.40	€ 44,986.67	€ 44,986.67	€ 44,986.67	€ 42,340.40	€ 42,340.40	€ 42,340.40	€ 500,145.95
Advertising & Promotion expenses													
Promotion - General	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 360,000.00
Promotion - New campaign	€ 9,846.84	€ 9,846.84	€ 9,846.84	€ 33,756.08	€ 33,756.08	€ 33,756.08	€ 13,081.20	€ 13,081.20	€ 13,081.20	€ 9,000.00	€ 9,000.00	€ 9,000.00	€ 172,752.36
Promotion - Other	€ 1,600.00	€ 1,600.00	€ 1,600.00	-	-	-	-	-	-	€ 4,500.00	€ 4,500.00	€ 4,500.00	€ 18,300.00
Total Advertising expenses	€ 41,446.84	€ 41,446.84	€ 41,446.84	€ 63,756.08	€ 63,756.08	€ 63,756.08	€ 43,081.20	€ 43,081.20	€ 43,081.20	€ 35,400.00	€ 35,400.00	€ 35,400.00	€ 551,052.36
Website expenses													
Employment Expenses													
Concierge	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 1,300.00	€ 15,600.00
Designer	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 2,500.00	€ 30,000.00
Total employment expense	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 3,800.00	€ 45,600.00
Total Occupancy Costs	€ 74,095.70	€ 74,095.70	€ 74,095.70	€ 84,680.80	€ 84,680.80	€ 84,680.80	€ 89,973.35	€ 89,973.35	€ 89,973.35	€ 84,680.80	€ 84,680.80	€ 84,680.80	€ 1,000,291.90
Total expenses	€ 159,555.08	€ 159,555.08	€ 159,555.08	€ 198,194.07	€ 198,194.07	€ 198,194.07	€ 185,684.07	€ 185,684.07	€ 185,684.07	€ 169,837.99	€ 169,837.99	€ 169,837.99	€ 2,139,813.66
Total net income before tax	€ 507,306.18	€ 507,306.18	€ 507,306.18	€ 563,933.09	€ 563,933.09	€ 563,933.09	€ 624,076.04	€ 624,076.04	€ 624,076.04	€ 592,289.17	€ 592,289.17	€ 592,289.17	€ 6,862,813.46
Income Tax	€ 106,534.30	€ 106,534.30	€ 106,534.30	€ 118,425.95	€ 118,425.95	€ 118,425.95	€ 131,055.97	€ 131,055.97	€ 131,055.97	€ 124,380.73	€ 124,380.73	€ 124,380.73	€ 1,441,190.83
Net profit after tax	€ 400,771.89	€ 400,771.89	€ 400,771.89	€ 445,507.14	€ 445,507.14	€ 445,507.14	€ 493,020.07	€ 493,020.07	€ 493,020.07	€ 467,908.44	€ 467,908.44	€ 467,908.44	€ 5,421,622.63

Figure 5 – Summarised P&I (2025-2027)
Source: Author's creation

Profit and Loss Statement	2025-2027		
	2025	2026	2027
Year	2025	2026	2027
Average Occupancy Rate	79%	79%	79%
Revenue	€ 10,292,467.50	€ 10,292,467.50	€ 10,292,467.50
DC sales	€ 3,087,740.25	€ 3,087,740.25	€ 3,087,740.25
Online sales	€ 4,219,911.68	€ 4,219,911.68	€ 4,219,911.68
Online sales - booking.com	€ 843,982.34	€ 843,982.34	€ 843,982.34
Online sales - other platforms	€ 3,375,929.34	€ 3,375,929.34	€ 3,375,929.34
Third-party sales	€ 2,984,815.58	€ 2,984,815.58	€ 2,984,815.58
Total Sales	€ 10,292,467.50	€ 10,292,467.50	€ 10,292,467.50
Sales Commissions paid to OTAs	€ 843,982.34	€ 843,982.34	€ 843,982.34
Sales commissions to third-party sellers	€ 298,481.56	€ 298,481.56	€ 298,481.56
Total Discounts/Commissions	€ 1,142,463.89	€ 1,142,463.89	€ 1,142,463.89
Less Discounts/Commissions	€ 9,150,003.61	€ 9,150,003.61	€ 9,150,003.61
Additional sources of revenues			
In-room extra comfort	€ 233,037.00	€ 233,037.00	€ 233,037.00
Signature in-hotel moments			
Dinner + Spa package	€ 174,777.75	€ 174,777.75	€ 174,777.75
In-room wellness treatment	€ 116,518.50	€ 116,518.50	€ 116,518.50
Gastronomy Menu	€ -	€ 56,533.05	€ 81,562.95
Guided location-based experiences	€ 279,903.33	€ 328,582.17	€ 328,582.17
Total other revenue	€ 804,236.58	€ 852,915.42	€ 852,915.42
Total revenue	€ 9,954,240.19	€ 10,002,919.03	€ 10,002,919.03
Cost of Goods Sold (COGS)	€ 995,424.02	€ 1,000,291.90	€ 1,000,291.90
Gross profit	€ 8,958,816.17	€ 9,002,627.12	€ 9,002,627.12
Operating Expenses			
Bed settings	€		

Figure 6 – P&L detailed calculations based on assumptions

Source: Author's creation

Room category	Standard	Suite
Price range	€ 150	€ 2 500
Average	€	1 325
Total nbr of room	822	

Sales Breakdown	% of sales
Direct Channel sales	30%
Online sales	41%
Online sales - Booking.com	20%
Online sales - Other platforms	21%
Third party sales	29%

Sales commissions	% of sales
Online bookings and OTAs	20%
Third party sellers	10%

Welcome pack costs	
Welcome treat + postcard	€ 1
Welcome drink	€ 0,13
Total cost/room	€ 2,26

Guided location-based experience	Price	CH commission	Revenue
Pestana Palace tour	€ 70	20%	€ 3 452,40
Pestana Palacio do Freixo tour	€ 115		€ 5 671,80
Pestana Plaza Mayor tour	€ 170		€ 8 384,40
Pestana A Brasileira tour	€ 85		€ 4 192,20
Pestana Vintage Porto tour	€ 85		€ 4 192,20
Pestana Cidadela tour	€ 180		€ 8 877,60
Total			€ 34 770,60

Figure 7 – Financial repercussions based on the pessimistic scenario

Source: Author’s creation

Incremental Decrease	
Occupancy rate	30%
Signature In-hotel moments & room upgrades	5%
Guided location-based experiences	10%

Incremental Decrease	
Occupancy rate	30%
Signature In-hotel moments & room upgrades	5%
Guided location-based experiences	10%

Revenues breakdown	Estimated number of adhering clients	Price
In-room extra comfort		€ 200
Signature in-hotel moments		
Dinner + Spa package	10%	€ 150
In-room wellness treatment		€ 100
Gastronomy Menu		€ 70
Guided location-based experiences		
Pestana Palace tour		€ 70
Pestana Palacio do Freixo tour		€ 115
Pestana Plaza Mayor tour	20%	€ 170
Pestana A Brasileira tour		€ 85
Pestana Vintage Porto tour		€ 85
Pestana Cidadela tour		€ 180

Guided location-based experiences	Price	PCH commission	Revenue
Pestana Palace tour	€ 70		€ 2 301,60
Pestana Palacio do Freixo tour	€ 115		€ 3 781,20
Pestana Plaza Mayor tour	€ 170		€ 5 589,60
Pestana A Brasileira tour	€ 85	20%	€ 2 794,80
Pestana Vintage Porto tour	€ 85		€ 2 794,80
Pestana Cidadela tour	€ 180		€ 5 918,40
Total			€ 23 180,40

Figure 8 – Yearly values in the pessimistic scenario (2025-2027)

Source: Author’s creation

Profit and Loss Statement	2025-2027		
	2025	2026	2027
Year			
Average Occupancy Rate	49%	49%	49%
Revenue	€ 6 371 527,50	€ 6 371 527,50	€ 6 371 527,50
DC sales	€ 1 911 458,25	€ 1 911 458,25	€ 1 911 458,25
Online sales	€ 2 612 326,28	€ 2 612 326,28	€ 2 612 326,28
Online sales - booking.com	€ 522 465,26	€ 522 465,26	€ 522 465,26
Online sales - other platforms	€ 2 089 861,02	€ 2 089 861,02	€ 2 089 861,02
Third-party sales	€ 1 847 742,98	€ 1 847 742,98	€ 1 847 742,98
Total Sales	€ 6 371 527,50	€ 6 371 527,50	€ 6 371 527,50
Sales Commissions paid to OTAs	€ 522 465,26	€ 522 465,26	€ 522 465,26
Sales commissions to third-party sellers	€ 184 774,30	€ 184 774,30	€ 184 774,30
Total Discounts/ Commissions	€ 707 239,56	€ 707 239,56	€ 707 239,56
Less Discounts/Commissions	€ 5 664 287,95	€ 5 664 287,95	€ 5 664 287,95
Additional sources of revenues			
In-room extra comfort	€ 96 174,00	€ 96 174,00	€ 96 174,00
Signature in-hotel moments			
Dinner + Spa package	€ 72 130,50	€ 72 130,50	€ 72 130,50
In-room wellness treatment	€ 48 087,00	€ 48 087,00	€ 48 087,00
Gastronomy Menu	€ -	€ 23 879,10	€ 33 660,90
Guided location-based experiences	€ 135 605,34	€ 135 605,34	€ 135 605,34
Total other revenue	€ 351 996,84	€ 351 996,84	€ 351 996,84
Total revenue	€ 6 016 284,79	€ 6 016 284,79	€ 6 016 284,79
Cost of Goods Sold (COGS)	€ 601 628,48	€ 601 628,48	€ 601 628,48
Gross profit	€ 5 414 656,31	€ 5 414 656,31	€ 5 414 656,31
Operating Expenses			
Bed settings	€ 15 580,19	€ 15 580,19	€ 15 580,19
Welcome pack	€ 10 867,66	€ 10 867,66	€ 10 867,66
Total Operating expenses	€ 26 447,85	€ 26 447,85	€ 26 447,85
Advertising & Promotion expenses			
Advertising & Promotion expenses	€ 300 814,24	€ 300 814,24	€ 300 814,24
Promotion - General			
Promotion - New campaign	€ 360 000,00	€ 360 000,00	€ 360 000,00
Promotion - Other	€ 191 989,80	€ 195 392,88	€ 172 752,36
Total Advertising expenses	€ 18 000,00	€ 18 000,00	€ 18 300,00
Website expenses	€ 569 989,80	€ 573 392,88	€ 551 052,36
General & Administrative	€ 9 600,00		
Employment Expenses			
Concierge	€ 15 609,00	€ 15 609,00	€ 15 600,00
Designer	€ -	€ 2 500,00	€ 30 000,00
Total employment expense	€ 15 609,00	€ 18 109,00	€ 45 600,00
Total Occupancy Costs	€ 601 628,48	€ 601 628,48	€ 601 628,48
Total expenses	€ 1 524 089,37	€ 1 520 392,45	€ 1 525 542,93
Total net income before tax	€ 3 890 566,94	€ 3 894 263,86	€ 3 889 113,38
Income Tax	€ 817 019,06	€ 817 795,41	€ 816 713,81
Net profit after tax	€ 3 073 547,88	€ 3 076 468,45	€ 3 072 399,57

Figure 9 – Market shifts and financial consequences based on the optimistic scenario

Source: Author’s creation

Incremental Increase	
Tourism growth per year	1%
Occupancy rate	5%
Signature In-hotel moments & room upgrades	10%
Guided location-based experiences	20%

Revenues breakdown	Estimated number of adhering clients	Price
In-room extra comfort		€ 200
Signature in-hotel moments		
Dinner + Spa package	20%	€ 150
In-room wellness treatment		€ 100
Gastronomy Menu		€ 70
Guided location-based experiences		
Pestana Palace tour		€ 70
Pestana Palacio do Freixo tour		€ 115
Pestana Plaza Mayor tour	50%	€ 170
Pestana A Brasileira tour		€ 85
Pestana Vintage Porto tour		
Pestana Cidadela tour		€ 180

Guided location-based experiences	Price	PCH commission	Revenue
Pestana Palace tour	€ 70		€ 5 754,00
Pestana Palacio do Freixo tour	€ 115		€ 9 453,00
Pestana Plaza Mayor tour	€ 170		€ 13 974,00
Pestana A Brasileira tour	€ 85	20%	€ 6 987,00
Pestana Vintage Porto tour			€ 6 987,00
Pestana Cidadela tour	€ 180		€ 14 796,00
Total			€ 57 951,00

Figure 10 – Yearly values in the optimistic scenario (2025-2027)

Source: Author's creation

Profit and Loss Statement	2025-2027		
	2025	2026	2027
Year			
Average Occupancy Rate	84%	84%	84%
Revenue	€ 10 945 957,50	€ 10 945 957,50	€ 10 945 957,50
DC sales	€ 3 283 787,25	€ 3 283 787,25	€ 3 283 787,25
Online sales	€ 4 487 842,58	€ 4 487 842,58	€ 4 487 842,58
Online sales - booking.com	€ 897 568,52	€ 897 568,52	€ 897 568,52
Online sales - other platforms	€ 3 590 274,06	€ 3 590 274,06	€ 3 590 274,06
Third-party sales	€ 3 174 327,68	€ 3 174 327,68	€ 3 174 327,68
Total Sales	€ 10 945 957,50	€ 10 945 957,50	€ 10 945 957,50
Sales Commissions paid to OTAs	€ 762 933,24	€ 762 933,24	€ 762 933,24
Sales commissions to third-party sellers	€ 317 432,77	€ 317 432,77	€ 317 432,77
Total Discounts/ Commissions	€ 1 080 366,01	€ 1 080 366,01	€ 1 080 366,01
Less Discounts/Commissions	€ 9 865 591,49	€ 9 865 591,49	€ 9 865 591,49
Additional sources of revenues			
In-room extra comfort	€ 330 444,00	€ 330 444,00	€ 330 444,00
Signature in-hotel moments			
Dinner + Spa package	€ 247 833,00	€ 247 833,00	€ 247 833,00
In-room wellness treatment	€ 165 222,00	€ 165 222,00	€ 165 222,00
Gastronomy Menu	€ -	€ 79 980,60	€ 115 655,40
Guided location-based experiences	€ 582 407,55	€ 582 407,55	€ 582 407,55
Total other revenue	€ 1 325 906,55	€ 1 325 906,55	€ 1 325 906,55
Total revenue	€ 11 191 498,04	€ 11 191 498,04	€ 11 191 498,04
Cost of Goods Sold (COGS)	€ 1 119 149,80	€ 1 119 149,80	€ 1 119 149,80
Gross profit	€ 10 072 348,24	€ 10 072 348,24	€ 10 072 348,24
Operating Expenses			
Bed settings	€ 26 765,96	€ 26 765,96	€ 26 765,96
Welcome pack	€ 18 670,09	€ 18 670,09	€ 18 670,09
Total Operating expenses	€ 45 436,05	€ 45 436,05	€ 45 436,05
Advertising & Promotion expenses			
Promotion - General	€ 360 000,00	€ 360 000,00	€ 360 000,00
Promotion - New campaign	€ 191 989,80	€ 195 392,88	€ 172 752,36
Promotion - Other	€ 18 000,00	€ 18 000,00	€ 18 300,00
Total Advertising expenses	€ 569 989,80	€ 573 392,88	€ 551 052,36
Website expenses	€ 28 803,00	€ -	€ -
General & Administrative	€ 559 574,90	€ 559 574,90	€ 559 574,90
Employment Expenses			
Concierge	€ 15 612,00	€ 15 609,00	€ 15 600,00
Designer	€ -	€ 2 500,00	€ 30 000,00
Total employment expense	€ 15 612,00	€ 18 109,00	€ 45 600,00
Total Occupancy Costs	€ 1 119 149,80	€ 1 119 149,80	€ 1 119 149,80
Total expenses	€ 2 338 565,56	€ 2 315 662,64	€ 2 320 813,12
Total net income before tax	€ 7 733 782,68	€ 7 756 685,60	€ 7 751 535,12
Income Tax	€ 1 624 094,36	€ 1 628 903,98	€ 1 627 822,38
Net profit after tax	€ 6 109 688,32	€ 6 127 781,63	€ 6 123 712,75

Appendix K: Additional Communication plan figures and tables

Figure 1-Pestana Collections Hotels' Brand Architecture

Source: Author's creation

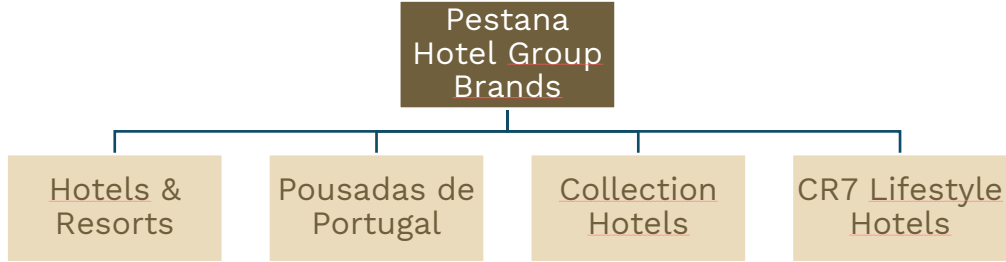


Table 1: Detailed Media Budget for 2026

Source: Author's Creation

Month	Promotion cost assumptions- 2026											
	January	February	March	April	May	June	July	August	September	October	November	December
2026 Campaign												
Facebook Ads		500,00	500,00	500,00	600,00	500,00	500,00	400,00	300,00	300,00	0,00	0,00
Instagram Ads		600,00	600,00	600,00	600,00	600,00	500,00	400,00	300,00	300,00	0,00	0,00
Total Social Media Ads		1100,00	1100,00	1100,00	1200,00	1100,00	1000,00	800,00	600,00	600,00	0,00	0,00
Display Ads		700,00	700,00	800,00	800,00	700,00	700,00	600,00	500,00	400,00	0,00	0,00
Youtube Ads		500,00	500,00	600,00	600,00	600,00	500,00	500,00	500,00	400,00	400,00	400,00
Billboard		0,00	0,00	778,12	778,12	778,12	778,12	778,12	778,12	778,12	0,00	0,00
No. of billboards		0,00	0,00	5,00	10,00	10,00	10,00	10,00	5,00	5,00	0,00	0,00
Total cost of Billboard		0,00	0,00	3 890,60	7 781,20	7 781,20	7 781,20	7 781,20	3 890,60	3 890,60	0,00	0,00
Total promotional activity 1	0,00	2 300,00	2 300,00	6 390,60	10 381,20	10 181,20	9 981,20	9 681,20	5 490,60	5 290,60	400,00	400,00
Other promotions												
Facebook Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00	300,00
Instagram Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	400,00	400,00	300,00
Total Social Media Ads	800,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	900,00	900,00	600,00
Display Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00
Youtube Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00
Total promotional activity 2	1 200,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	900,00	1 900,00	1 600,00
Total promotion costs (by month)	1 200	2 300	2 300	6 391	10 381	10 181	9 981	9 681	5 491	6 191	2 300	2 000
Total promotion costs (2026)							60 397					

Table 2: Detailed Media Budget for 2027

Source: Author's Creation

Month	Promotion cost assumptions- 2027											
	January	February	March	April	May	June	July	August	September	October	November	December
2027 Campaign												
Facebook Ads		500,00	500,00	500,00	600,00	400,00	400,00	300,00	300,00	200,00	0,00	0,00
Instagram Ads		500,00	500,00	600,00	600,00	500,00	400,00	300,00	300,00	200,00	0,00	0,00
Total Social Media Ads		1000,00	1000,00	1100,00	1200,00	900,00	800,00	600,00	600,00	400,00	0,00	0,00
Display Ads		700,00	700,00	800,00	800,00	700,00	700,00	600,00	500,00	300,00	0,00	0,00
Youtube Ads		500,00	500,00	600,00	600,00	600,00	500,00	500,00	500,00	200,00	0,00	0,00
Billboard		0,00	778,12	778,12	778,12	778,12	778,12	0,00	0,00	0,00	0,00	0,00
No. of billboards		0,00	7,00	10,00	12,00	12,00	10,00	0,00	0,00	0,00	0,00	0,00
Total cost of Billboard		0,00	5 446,84	7 781,20	9 337,44	9 337,44	7 781,20	0,00	0,00	0,00	0,00	0,00
Total promotional activity 1	0,00	2 200,00	7 646,84	10 281,20	11 937,44	11 537,44	9 781,20	1 700,00	1 600,00	900,00	0,00	0,00
Other promotions												
Facebook Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	400,00	400,00
Instagram Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	400,00	400,00	400,00
Total Social Media Ads	800,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	900,00	800,00	800,00
Display Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00
Youtube Ads	400,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	500,00	500,00
Total promotional activity 2	1 200,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	900,00	1 800,00	1 800,00
Total promotion costs (by month)	1 200	2 200	7 647	10 281	11 937	11 537	9 781	1 700	1 600	1 800	1 800	1 800
Total promotion costs (2027)							63 284					