Club Med: coping with corporate brand evolution

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Abstract

Purpose – This paper aims to identify how community members of a long-established service brand, Club Med, negotiate the strategic decision made by management in 2002 to substantially alter the brand positioning.

Design/methodology/approach – A mixed method approach relied on participant observations, interviews with managers and consumers, and a netnography of an independent website used by Club Med members to exchange information, advice and other holiday tips.

Findings – Brand community members responded differently to the repositioning of the brand, according to the core benefit or value they first sought by attending the Club, from the functional and practical to the emotional or experiential reward. Responses also differed according to whether consumers valued the collective ideals of the earlier Club Med or the individualism advocated in the latest positioning. Hence, the value match between brand and consumers appeared predictive of their response.

Research limitations/implications – Although limited to the case of one iconic service brand, these findings have implications for marketers. In particular, they warn against unilateral decisions made without due consideration of the brand community which may have developed around the traditional meanings associated with the brand.

Originality/value – Given the paucity of evidence of service brand community, validating the existence of service brand community represents a first and important contribution of the paper. Brand communities have intrigued researchers and practitioners by their loyalty and resilience. Moreover, little or no research has examined how such communities cope with dramatic changes in the brand strategy.

Keywords Brand image, Consumers, User studies, Internet

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

1. Introduction

Developing strong brands and creating a bond between them and consumers is a key marketing objective. The epitome of this approach is provided by the phenomenon of brand communities. Often associated with high involvement brands, such as Harley Davidson (Schouten and McAlexander, 1995), Jeep (McAlexander *et al.*, 2002), Apple and MacIntosh (Muniz and O'Guinn, 2001; Muniz and Schau, 2005; Belk and Tumbat, 2005), Hummer (Luedicke, 2006) or Nikon or Canon (Amine and Sitz, 2007), brand communities can also develop with fast moving consumer brands, such as Nutella, at their core (Cova and Pace, 2006; Cova, 2006). However, few service brands have been reported as central to brand communities.

While the strategic importance of brand communities is undisputed, providing as they do a strong and exclusive bond between consumers and "their" brand, their development is not without risk. This is because consumers who feel strongly about a brand are also likely to be sensitive to the slightest change. Given their feeling of ownership, they may even come to resent it and resist any change, including that which may be necessary for brand survival. Hence, a brand community can be a platform or a ceiling, a "snake" or a "ladder", helping or hindering the brand as it evolves over time. For example, how would a brand community respond to a sudden and dramatic change in the core positioning of that brand? This is the core question examined in this exploratory study.

2. Brand communities

The concept of brand community is rooted in the sociology literature but found a specific resonance in marketing where it has generated a wealth of research over the last decade. Muniz and O'Guinn (2001, p. 39) define a brand community as "a specific community, unbound by location and based on a structured whole of social relations between brand users". The community is specialised as it focuses on the product or service brand (Cova, 1997). The community is specific in that it is defined by a given brand, but it is not limited by location since modern communication technologies, and most notably the Internet, enable geographically distant individuals to meet and exchange information on a regular basis (McWilliam, 2000; Kim, 2006; Dwyer, 2007). According to Bagozzi and Dholakia (2006), social bonds are the basis for brand communities. As such, brand communities develop and endure, unlike tribes or sub-culture which formation is highly fluid and situational (Maffesoli, 1996).

A brand community is characterised by three principles: Belongingness, rituals and traditions, and reciprocity (Muniz and O'Guinn, 2001; Cova and Cova, 2001). While akin to the concepts of sub-cultures or tribes, brand communities differ from these in a number of ways. Sub-cultures are defined in contrast (or even opposition) to the mainstream culture whereas brand communities exist independently from the surrounding or prevailing culture. Moreover, tribes are characterised by transience and fluidity (Cova and Cova, 2001) whereas brand communities are more enduring: Their members are more involved although their interaction may be entirely virtual (Muniz and O'Guinn, 2001).

Research has predominantly reported the positive consequences of brand communities for the brands that constitute their core (McAlexander *et al.*, 2002). Individuals belonging to a community are first and foremost highly loyal and committed consumers, even in the face of a competitor's superior performance, and they are able to forgive faults or problems more readily than others (Berry, 1995). Brand community members also feel responsible for the wellbeing of the firm and wish to see the brand succeed: They provide spontaneous feedback and may invest financially in brand-related shares. They feel and act as brand ambassadors (Algesheimer *et al.*, 2005). In some instances, communities can also emerge in opposition to brands, with consumers organising action campaign, including boycott (Hollenback and Zinkhan, 2006).

However, such a commitment by brand community members may also represent a source of risk for the brand. For example, they may react negatively if they perceive that their loyalty opens the way to privacy breaches by the firm (Algesheimer *et al.*, 2005). Their freedom and independence is important to them and they do not accept that the brand controls them. Rather, they may believe the opposite, that they control the brand and as such should be consulted, or even obeyed, in relation to any change.

Despite the fact that a brand does not need to be attached to a manufactured product to incite the sort of strong attachment from consumers that characterizes brand communities, the extant brand community literature has seldom, if ever, considered the case of service brands. However, a brand such as Club Med is particularly representative of the type of services, which enables a community to develop. Indeed, a communitarian ideal is very much at the core of what Club Med has come to mean for many of its members. Importantly for this study, the brand has undertaken a radical change in its positioning, initiated in 2002 but subject to a very expensive advertising campaign from 2004 onwards. As such, Club Med provides a wonderfully apt exemplar of what can happen when a brand decides to take a very significant strategic turn, by unilaterally changing its positioning in the marketplace. We propose, therefore, to study Club Med members/ consumers' response to the "up market shift" of the brand in the early 2000s.

To fully account for the richness of the social interaction that occurs in brand communities, as recommended by Cova and Roncaglio (1999), we adopted a five-steps multi-method approach for this exploratory study, comprising:

1 Desktop documentary and archival research.
2 Unstructured interviews with brand managers, both at headquarters and on site.
3 Unstructured interviews with consumers on site.
4 Participant observations, with a total of six stays in six different "villages".
5 A netnography (see Kozinets, 1997) of MaCase.net, accounting for all comments posted between 24 June 2005 to 31 July 2007 around the topic of "Club Med spirit in danger."

Before we present our findings, however, we must first establish that Club Med can indeed be deemed a service brand community. The following section undertakes this demonstration.

3. Is Club Med a service brand community?

On-site observations and an analysis of the content of the discussion forum all contribute to demonstrate that Club Med is indeed a brand community, fulfilling as it does the three key principles identified in the literature: Belongingness, rituals and reciprocity (Muniz and O'Guinn, 2001; Cova and Cova, 2001).

Belongingness
Comments made by consumers, both on site and online, suggest that a strong sense of belongingness characterizes Club Med. Club Med villages are self-contained destinations, and members are given a thread bracelet that enables them to come in and out of the villages and benefit from all villages services, for free, during their stay. Within the villages, members of the community are visible and interact, sharing information about destinations they have visited in the past and other holiday-related memories and advice. Another tangible symbol of belongingness is the famous 45 logo printed t-shirt, initially launched to celebrate the Club's 45th year, and found in shops located in every Club Med village. Bearing the name of the village where it was purchased, it creates a conversation starter between Club Med members, be it at the side of the pool or at the bar.

Rituals and traditions
Many rites and behaviours are embedded in everyday Club Med life. Indeed, the Club Med has developed and continues to use its own terminology. Locations and destinations are known as "villages", the management of which is the responsibility of the "village chief". Activities and entertainment is the role of animators referred to as GOs ("gentil organisateur" or nice organisor) and the guest is a GM (for "gentil member" or nice member). The standard of accommodation is not measured in stars but in "tridents". It is also customary for everyone in villages to use the informal "tu" mode of address rather than the more formal (and usual) "vous".

Besides the villages, other sites, including the virtual meeting place offered by the internet, enable members to meet at other times, in between stays. This is very much the main reason behind the success of MaCase.fr, where a number of forums co-exist to facilitate a number of discussions. The Club Med official website also provides detailed information as well as allows direct bookings. Finally, the Club has also opened a number of outlets where members can come and meet and experience more fully their membership of the Club all year round, including by purchasing Club Med merchandise.

A glossy catalogue, produced twice yearly can be considered a cultural object as it tends to be kept and used repeatedly.

Other objects include medals given during sports competitions or games given to children during their stay. And while they may not be ritual clothes or costumes as such, the Club Med collection is sold in all village shops, widely worn by all GOs and adopted by GMs during their stay (including the famous 45 t-shirt) and introduces a specific style of clothes (relaxed, exotic and colourful). Interestingly, dress codes also form part of the Club Med unique form of social tourism. Each day, a specific dress code is listed on an information board (e.g. White, or Black and Red or Oriental or Smart), and members are expected to dress up accordingly for the main meal (dinner). Experienced Club Med members pack the necessary set of clothes to show up suitably attired at dinner but newies are conspicuous by their ignorance of the code, although the sanctions never exceed light and good humoured remarks.

Finally, rites are extremely numerous and complex at Club Med, right from the welcome on arrival where Club Med members, having been given their bracelet in the airport shuttle bus, are treated to a drink and song by the village chief and the GOs. On a daily basis, by the pool and more frequently in the evening, the crazy signs, simple and funny little dance routines demonstrated by GOs and performed by everyone who feels like it, represent one of the most enduring (and some say, endearing) rites of the Club. Based on current musical tunes and repeated often, they represent a clear signal of membership. The evening shows (where GOs and GMs participate) are another institution of the Club, providing entertainment after dinner. Different games before or after dinner, often at the bar, rely on teams of participants, be they existing groups or opportunistic groupings of strangers (who can be GOs or GMs) as a means of breaking the ice and getting everyone involved.

Reciprocity

The moral obligation to assist other members and contribute to the community as a whole is a strong defining characteristic of Club Med. It is particularly evident on the MaCase website, the creation of which seems to stem directly from the need by members to tell other where to go, and what to do once there. Most forums on MaCase are directed toward specific questions asked by members, be they newies or established ones. Anyone looking for advice on what to pack for a stay in a given season, or even looking for specific persons met in villages visited in the past can find a helping hand on this site. Consumers report a feeling of obligation and would not ask for information until they had answered someone else query. Many reported being frequent visitors to the site, whether they are contemplating a trip and therefore in need of information, or not. Members returning also feel compelled to share their experience with others on the site.

4. The brand repositioning of the 2000s

Initiated in 2002 by a new director, Henri Giscard D'Estaing (son of the former French President), the upmarket shift of the brand received much media attention. Associated with a very heavy advertising campaign promoting the "new" Club Med, and evidenced by a sharp increase in the prices (about 20 per cent in 2005), the message could not be clearer: Club Med was no longer a popular holiday destination open to all. The revamping of the brand resulted in the closing of the 40 most basic destinations (those deemed two tridents) and

heavy investment in the upmarket villages (four tridents). The aim was and remains to attract a more selective, affluent and discerning clientèle. Both the catalogue and the Club Med web site confirm that move away from the convivial and middle class "tan seeker" market.

Importantly, the less tangible elements that made the Club, its easy and unpretentious social interactions between perfect strangers in lovely sunny locations, have now also been revisited. In the refurbished new villages, the ubiquitous tables for eight, once the social pillar of interactions between members (GOs had to make sure they never sat with other GOs and GMs were supposed to fill in tables, and introduce themselves to their co-dinners, rather than sit at separate tables), are now next to tables for four or even tables for two. The rationale by management is simple: Some consumers like the company of strangers and enjoy meeting them, others just want to stay in their own close family group and the Club should accommodate both wishes. Other changes include the addition of individual activities from spa treatment to tennis lessons, along with the traditional group sport activities. Hence, consumers can now select total immersion in the social aspects of the Club, or may remain separate from it. The dress code still exists, but only those in the know can tell, since many newies simply ignore it (blissfully unaware of breaking an established social norm). The introduction of television sets in the guest rooms, allowing members to ignore the evening show performance, for a long time the only form of entertainment in the evening, is another striking change.

These changes are nothing short of revolutionary when one knows the core values upon which the success of Club Med was built. Since its introduction in 1950 following the partnership of a camping equipment manufacturer (Trigano) and a fan of holiday villages (Blitz), the Club has been the symbol of a different kind of holiday: Egalitarian and convivial, Club Med proposed a new form of holidays where GOs and GMs shared good moments, without social barriers or inhibitions, during the blessed interval of a few weeks of paid leave. Easy to mock but clearly popular with consumers, the concept was simple: A lovely destination with basic accommodation and an emphasis on outdoor activities and social interaction, self-served meals and the provision of free childcare services to enable maximum flexibility and relaxation to everyone. It is this unique and successful recipe, which the managers have put into question at the dawn of the new century. What motivated it? Were they following a trend? Did they identify different needs in their consumers? Were they guided by the information gleaned from the strong brand community they knew existed?

Our research suggests this was not the case. The move was as unilateral as it was deemed urgent. Club Med was losing money as low cost providers had entered the scene and as cheaper airline deals increasingly opened exotic destinations to more consumers. In the sobering words of it new CEO on taking the helm: "to make money, Club Med must first stop losing money." What ensued was a hard look at operations in each village, the closing down of unprofitable destinations and the realisation that to make a profit from the remaining ones, a higher margin was required. The up-market lift of the brand was born.

The strategy remains, to this day, untested. The upgrading of the facilities had not taken place before the prices increased and the advertising campaign kicked in well before anyone could really see any tangible reason for the "new" argument.

By management's own reckoning, the strategy will only work if new consumers are now drawn to the brand, the sort of consumers who will think that a family of four on leave for two weeks should or could spend the equivalent price of a small car. As for the others, the rank and file of Club Med consumers, management is clear: Only those who can afford it are welcome to follow. In this context, what is the meaning of Club Med for new consumers and how do loyal consumers perceive this up-market move? Can Club Med acquire a new brand community around its new values without alienating the old ones? These questions will, in our mind, determine the ultimate success of this strategy.

5. Consumers' responses to the up-market repositioning of Club Med

To resist or to surrender?
For some Club Med consumers the change is, quite simply, unacceptable. One of the members posted the following comment: " ... according to my discussions with GOs, it seems that the Club Med will soon cancel all animations in order to become more 'chic'. They have already suppressed the shows, deemed too vulgar, all the GM shows ... they'll soon abolish the crazy signs! HELP!!!! Let's save the true, the unique, the only real and authentic Club Med ... " For this member, this change must be fought, or at least contained to a few villages but not the majority of destinations. In a letter she asks others to also send to the general headquarters, the following paragraph says it all: "If some up market destinations are reserved for a small upmarket target, why not? But please, do not close down those villages where one has fun, where one knows in advance one will spend unforgettably holidays because they have this little something the other clubs don't have."

She is not alone with this plea. Some literally use the forum to call for a fight, even composing a poem to encourage resistance " ... specially dedicated to those who are motivated against the decay that threatens our club!", of which the first couple of lines aim directly at the marketers:

> Friendly GOs, can you hear the black flock of marketers' furies
> Friendly GMs, can you hear the cry of Club Med put in slavery
> Comrade, Village Chief, GM or GO, fight and raise the alarm!

Others advocate direct action to ensure that what made the success of the Club remains relevant, by participating in these activities during their next stay. For one contributor to the forum, for example, to resist must be a daily decision: "if someone proposes an activity, go for it, that is encouraging for the others and it tells the team that it is worth fighting for it. Otherwise, if they don't find willing participants, they'll stop trying!" Another person shares the same view and begs others to make sure they keep the spirit of the Club alive: "When at the Club, lead by example. Do the crazy signs, go and get your group and go and get people you met at dinner ... Show them you can move and that it is better than to have a TV or tables for 2. Participate!"

However, such a rebellious attitude is not universal. For other consumers, the change is a sign of the times, a proof that Club Med knows how to evolve along its market. This realisation is associated with an acceptance, as illustrated by this quote: "Some seem to regret the past (huts, tan seeker atmosphere and so forth), but why? The Club is adapting to the new demands of GM and it is a good thing. Is it not that

quality (administration, location, comfort, sports, social interaction) that makes the charm of the Club? The provision of choice in terms of room comfort, table setting, there is nothing wrong with that!" For this person, the key is in the offer of a choice whereby each individual can determine the degree to which s/he wants to adhere to the rituals and traditions of the Club.

For others, the change occurring is far from being radical and they believe those who are complaining are romanticizing the Club. For example, a GO recalls what the "old" club was like: "I think I must be dreaming ... in what way does the fact that we no longer are squeezed a dozen a room and given a day off spoil the spirit of the club? I am not saying that nothing has changed, of course it has, but I find all of this (reaction) a bit excessive."

Even if change is not entirely desirable, it is perceived by some consumers as totally inevitable, if nothing else because villages must follow the strategic lead of headquarters. One of the discussant on the web site explains: "Get real! You think the village chiefs will not follow the new positioning? As if they had the choice!". This realisation is associated with an understanding that change was necessary for the survival of the Club and hence, a certain amount of gratitude. Says another group discussion participant, "You've got to understand this: The Club almost died because it was not profitable ... so I say, better a changed Club Med than none at all".

What emerges, therefore, is a continuum between those who refuse any change and advocate active resistance, both on the site but also during stays at the Club, and those who accept change as inevitable or even see some merit in some of the new aspects of the Club post-2004. Beyond this first response, often behavioural in nature, lies a deeper layer of consumers' prime motivations for visiting Club Med.

Motivation to be a Club Med GM: function or emotion?
Consumers who attend Club Med may do so for very contrasting reasons. Some members report attending the Club for its tangible attributes: The sporting activities available, the food or the all inclusive pricing strategy enabling them to wander around without a purse. A good example is provided by this GM, met at the Djerba (Tunisia) Club and for whom this was the third stay, "I come here for the variety of things I can do, the all-inclusive system and the quality of the accommodation and service. I am not particularly interested in the Club Med spirit". For such consumers, the brand evaluation is calculative and the notion of value is derived in an economic manner. The dominant approach for defining value involves contrasting service quality, defined functionally, with price. This is stressed in a posting on MaCase, where a consumer states, "In my opinion, most GMs do not come to MaCase and are not emotionally attached to the Club, they chose to holiday there because of a number of service attribute and the value they get from a price/quality standpoint (which I think remains excellent!)"

For these value-driven consumers, the upmarket shift of the brand has forced a rational reassessment of the value associated with the Club. The increase in price, in particular, has made them re-evaluate what they were getting. This process, depending on which attributes they valued most, may now lead them to remain GMs of Club Med, or alternatively, to seek elsewhere, amongst the low cost

providers. In both cases, the evaluation has been rational and economic: If the new Club Med continues to deliver value, as perceived by a given individual, s/he will continue to go there and is prepared to follow Club Med in its new positioning.

For another category of consumers, however, the core benefit of visiting Club Med is not functional but emotional. They seek the famous Club Med spirit, and want to relive unique moments. For some, the emotional aspect is laden with nostalgia: It is about the search for one's youth and experiencing an almost mythical journey. For example, a consumer admits during an interview: "The truth is, I love the Club and I think I always will. I have so many happy memories from there, from my first village at the age of 2." Another reminisces, "In Mauritius, one of my first trips, as an infant, GOs were introduced on water skis along a beach ... I can still see it, it was magnificent".

Of course, for this type of consumer, the nostalgic view of the Club is hard to reconcile with the new vision for the Club. As a loyal member eloquently puts it: " the reasons why I chose to spend my holidays at the Club and this for many years, – almost generations since my parents were pioneers of the Trigano era, and I attended the kid club, just as my own children attend it now- are precisely the entertainment and unique Club Med spirit which can't be found anywhere else ... If this goes, what would make Club Med special and why would you want to go there?"

The response to Club Med's shift in brand positioning by unconditional fans is therefore, a more visceral one. For them, the new positioning is nothing short of a betrayal and nothing or no one can compensate for the loss of what they perceive as their unique and authentic Club Med. For these consumers, the test will be in whether the new villages are able to retain enough of the intrinsic affective character of Club Med, and enough of its traditions and rituals. To the extent they can find the spirit of the Club still alive there, they will return. But if the spirit is missing, no amount of improvement in the quality of the room or the food will remedy their sense of loss, and prevent their ultimate departure from the community.

It is important to note that the boundaries are fuzzy between groups. In a long unstructured interview with a woman, Martine, who boasted over 15 years of regular and frequent stays in a number of Club Med destinations, the loss of the spirit of Club Med was clearly articulated and keenly felt. But while Martine indicated that she regretted and grieved for the old Club, her intention was to continue to return in the future. In other words, her attachment had morphed from affective to functional as she recognised that some features of the Club, such as the existence of a special Teen Club, was sufficiently appealing to her that she would continue to come to the Club, even if it did not feel much like the community she so loved and valued before. This was not a painless transition. For example, Martine lamented the fact that the dress code was now followed by so few as to make it embarrassing for those who did follow it. Said she: "I brought a designer dress ... so that I could dress up for the 'evening gown' night ... but guess what? I shan't wear it this time because if I did, I'd look ridiculous in a posh dress when no one else is following the dress code". But despite all this, as a single mum with a 14-year old daughter, she firmly intends to return next summer holiday so they can both enjoy a holiday together. Martine explains this in the following way. "Today, for me, the Club offers a solution to a parenting problem around holiday time".

What was clearly a loyal emotional bond between the Club and Martine has turned into a functional and problem solving choice. And while the loyalty of Martine is maintained for now, the question that arises is whether a competitor could more likely imitate the functional attributes of Club Med as, merely, a tourism service provider, or whether the emotional tie that binds a community around a brand constitutes a stronger and more exclusive competitive advantage.

At a deeper level of analysis still, beneath the behavioural response and the underlying motivation to attend the Club Med, lies the fundamental value which consumers perceive to be defining of the brand and matching they own. In this regard, Club Med appears to have initiated a profound change, one that will eventually determine its success or demise.

The defining value of Club Med: individualism or collectivism?

Individual reactions to the brand upmarket shift suggest that a deeper value drives their motivation to visit the Club. As previously noted, the Club was conceived as a community with sharing and conviviality core elements of the experience. In the 1950s, early members arrived in train carriages of eight persons, and found dining tables sitting that number, a tradition upheld until the recent upmarket shift. Club Med etiquette has long dictated that new arrivals sit at incomplete tables, introduce themselves and start a conversation that may well last the duration of the stay, with many lifelong friendships ensuing. Going to the Club with friends and family is also a long established custom. The Spartan décor of the early huts and rooms served to reinforce the message that the action is on the pool side and in the bar, in the company of others, and not in the relative solitude of one's quarters.

For some consumers, this very notion of a collective and convivial holiday is now under threat. Most symptomatic are the responses in relation to recently introduced TVs. One consumer, for example, is outraged: "But what the dickens do we need TVs for? Who asked for this? Down with the TVs!!!" Clearly, the TV sets are not the enemy per se, but those people who may chose to spend the evening watching it, away from the others, are the targets.

The upmarket shift is perceived as a direct attack on the collectivist value so central to the Club Med and for this, is condemned most stridently by those who seek a gregarious experience for their holiday, just as it is applauded by those favouring a certain degree of individualism and autonomy. In this latter group, some are particularly sensitive to the fact that Club Med now segments its villages according to family stages, offering specific destinations where families with young children are welcome and catered for, with Kids Club and child care support, and others where children would not be accommodated, allowing a more peaceful and relaxed environment for either more mature or honey mooning couples. By the same token, supplementing the famous tables for eight with dinning sets fit for either a family of four or even couples, represent a marked change away from the previous "norm" of sharing meals with strangers. For these consumers, who do not see themselves a loners or anti-social in any way, the issue is one of choice and freedom to either engage with others, or not. As one of the online site contributors explained, "I don't mind eating with other people and exchanging opinions and experiences but there are times when I like a bit of quiet and I enjoy this now at the Club.

I reckon this is a good thing. At the same time, I probably would not like it if nothing happened at the Club and people did not talk to each other or did not even greet each other."

Another person concurred: "I think the new strategy of the Club aims that way- especially in terms of entertainment ... Indeed, the GOs can only offer some activities, and the GMs are the ones to chose to get involved or not, without obligations. Myself, I try to participate as much as I can but I can accept that there are times when one may not feel like it and when that happens, the GO should leave it alone"

For Club fans, this evolution is not necessarily negative, as long as the old way can continue. One long standing member of the Club articulates it as follows: "I can understand that some people want to be left alone, but that is not us and we want to fully participate in the life of the Club". What they fear is the situation where none of the collective activities and values remained "permitted" at the Club and for the more nostalgic, things have already proceeded too far in that direction. Says one commentator on MaCase, "I think we need to step back and rewind some of the changes ... there are already no longer any coffee games ... and no themed shows ... I fear what will become of it next!" Conversely, a regular contributor to the site expresses her need for freedom: "I don't believe in the spirit of the Club: I find the crazy signs completely infantile for anyone older than about 15, I don't mind eating on my own with my husband and parents because I don't so much come to the Club to meet people as I do to spend great holidays with my loved ones ... But I am not against the activities and like the games around the pool at lunch or in the evening. All I ask is that people leave me alone if I don't want to be in it."

6. Managerial implications, conclusions and directions for future research

This exploratory study identified a number of opposing views raging amongst members of the Club Med brand community. Structured around the key dimensions of acceptance/resistance and positive/negative views of the change, our first managerial implication involves the identification, for Club Med, of four distinct categories of responses to brand evolution (see Figure 1): accepters, disenchanted, new club med enthusiasts or old club med custodians.

Accepters deal with change and continue to see the Club in a positive light, despite its new meaning, and continue to holiday there. The Disenchanted see the change as negative: They regret the "old" Club Med, and while they continue to

Figure 1 A typology of consumer response to Club Med brand shift

Positive view of the change

| Accepters | New Club Med enthusiasts |

Passive — *Active*

| Disenchanted | Old Club Med Custodians |

Negative view of the change

visit for now, they may eventually refuse to return if a competitors offers them a better option. On the active side, the New Club Med Enthusiasts embrace the new concept and are effusive in their compliments, subscribing completely to the new model and increasing their membership activities whereas the Old Club Med Custodians call for a return to the old ways, and organise themselves to ensure that some of the old spirit lives on, writing letters to the headquarters and defending the "authentic" Club Med which they perceive as in jeopardy.

The study offers a number of other important and more generic managerial implications in relation to brand management and the risk involved in "tempering" with the brand positioning. The strategy implemented by Club Med in the early part of the decade, because it entailed such a radical and sudden change, was always going to be fraught with risk. Such a dramatic repositioning of the brand would necessarily provoke a re-evaluation by consumers, regardless of sector, product category or indeed the brand concerned. The situation is akin to the "brand morphing" alluded to by Kates and Goh (2003) since different consumers are now associating different meanings with the brand.

One aspect overlooked by the managers of Club Med, however, is the strength of the community that developed overtime around this quite unique service brand. As we demonstrated, Club Med has enjoyed for over half a century the warm embrace of a dedicated and passionate brand community. Yet, in adopting its upmarket brand strategy, Club Med's management completely ignored how intricately these consumers linked the brand with their own lives, and core values. Brand managers should take heed of our results and investigate the strength of feelings and potential for resistance from their consumer base, especially if it has coalesced over the years into a brand community as strong and vibrant as that, which surrounds Club Med.

As our results show, this community has not fully accepted the change. Some are staying loyal but with the specific mission of ensuring that the "old Club Med" retains its currency, effectively working against the brand repositioning from the inside. While some consumers have been easier to convince because they sought functional rather than emotional benefits, others have undergone a painful transition which has all but stripped Club Med of its emotional glow to reduce it to its basic (and easy to imitate) features. Many have been either passively accepting or, more worryingly, are now disenfranchised and only continue to visit the Club until a better alternative comes along. As stated by management, somewhat callously, those lost consumers will not be missed if they could not sustain the price increase dictated by the strategy. However, whether the "new" Club Med can now acquire enough wealthier consumers to replace them, and whether it will be able to rebuild a brand community as strong and as unique around its brand if it ever does is an open question and key to the ultimate success of this bold strategic move. A general lesson to be learnt from this example is that brand managers should not confuse strong brand equity with compliant consumers. Indeed, particularly when dealing with a brand community, it is dangerous to take consumers for granted and to assume their unconditional loyalty. For some consumers, their loyalty to the brand core values may well be the reason why they will not remain with the brand if they consider it has been altered or tainted in the process.
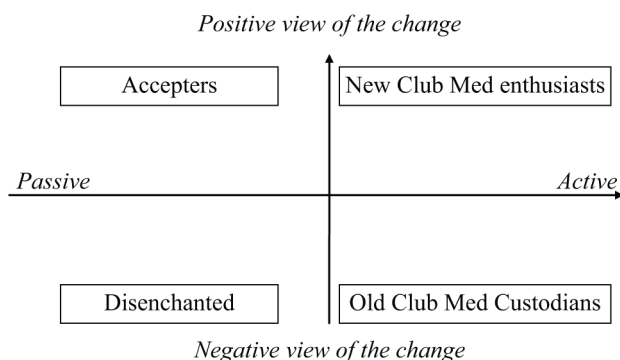
Future research is clearly needed to determine whether Club Med has succeeded in creating a new brand community around its new positioning. If not, an evaluation of the financial returns associated with a different brand paradigm where the Club Med is no longer the core of a community but simply another competitor in the tourism market would provide interesting evidence of the equity derived by a brand from the existence of a community around it. Further studies are also needed to examine the responses of consumers from other brand communities when facing similarly drastic changes. This may include a change of ownership, including by foreign corporations, of previously nationally iconic brands.

The notion that consumer loyalty and retention depends on a close match between the values perceived to define the brand and that which consumers identify as core personal values has already been argued (Quester *et al.*, 2006), but it now deserves additional empirical evidence. Our examination of the Club Med case does suggest that the strength of consumers' identification with a collective or more individual set of values could very well be predictive of their continued loyalty to Club Med or indeed to the community that developed around it. Hence, our study offers some initial qualitative support for the notion than brand/personal value fit is an antecedent of loyalty. More quantitative evidence that this is the case would provide additional arguments in favour of brand managers threading very cautiously with the fragile but strategic assets, which brands, their associated meanings and the communities that gravitate around them represent.

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto *to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.*

The strategic importance of brand communities is widely recognized among the marketing fraternity. Each community is defined by a given brand and therefore unique, while also able to attract a geographically dispersed membership thanks to modern communication technologies. High involvement brands that include Harley Davidson, Canon and Apple boast such communities, although their emergence around some fast moving consumer brands has also been noted.

Brand communities: pros and cons

Group members are passionate about the brand. Their loyalty and commitment makes them more willing to overlook any problems or flaws, while remaining blind to the virtues of any competitor. They consider themselves as brand ambassadors who have some responsibility for the company's welfare. Provision of valuable feedback and share investment are other behaviours commonly associated with brand community membership

These benefits are well documented, although researchers are also aware that such communities can pose risks for a brand. For instance, it has been suggested that group members feel that they control the brand and should thus be consulted in relation to important plans. This perception of ownership is also likely to make them question, resent or even resist change. Whether or not such decisions may be essential to safeguard the brand may be irrelevant to the individuals concerned. Communities are also able to respond unfavourably if they consider that their loyalty is being exploited by the firm. Ultimately, brand communities hold considerable power to help or hinder brand development over time.

Investigation and findings

Research into brand communities has rarely considered service brands. The present study therefore aims to address this void by focusing on member response to the radical transformation of French vacation provider Club Med into a more up-market brand in the early 2000s. Quester & Fleck adopt a mixed method approach that incorporates interviews, participant observations and analysis of postings made by Club Med members on an independent web site.

Extant literature purports that brand communities are characterized by belongingness, rituals and traditions, and reciprocity. Club Med appears to fit the criteria in these respects. For instance, there is a strong emphasis on community within Club Med destinations. Members are actively encouraged to interact, offer advice and share holiday-related information. The availability of logoed t-shirts in the destination's stores further symbolizes belongingness.

Club Med's own terminology provides one indication of the rituals that prevail. Its resorts are known as "villages" where organizers and guests respectively known as GOs and GMs mingle. And tridents rather than stars are used to measure accommodation standards. There are also unique dress codes in place for evening mealtimes, while members can purchase clothing worn by GOs from the village shops. Various rites are likewise in evidence such as strange dance routines, and welcome meetings hosted by the destination's manager or "village chief". Teamwork is a feature of all games and entertainment, and the aim of GOs is to get everyone involved in the fun.

The onus on integration is illustrated by the expectation that members help others adapt to Club Med life. A popular website exists for this purpose, enabling new or established members to log on to its forums to share experiences, information or advice. It may also be possible to track people met on previous vacations with the company.

Change became essential when increased competition from low cost providers impacted on Club Med. The decision was made to close unprofitable villages and impose substantial price rises for the remainder. Equally noteworthy was the investment in the more up-market villages and the corresponding closure of those graded more lowly as part of the aim to attract a more affluent clientele.

Less tangible aspects were likewise reconsidered as part of the change process. The notable shift in this respect was towards making "total immersion in the social aspects of the Club" more optional. Individual activities were introduced and the rooms were equipped with televisions for the first time. Previously, all tables seated eight people but they were now interspersed with ones accommodating two or four for those less willing to closely connect with strangers.

Consumer response to the change varied from rebellion to acceptance or even enthusiasm in some cases. The resistance camp feel that change threatens the "spirit of the Club" and urges people to engage in behaviours and activities the experience was founded upon. Others consider the move as a response to changing consumer needs and recognize the ability of Club Med to evolve accordingly. Individual freedom to decide how much to participate in rituals and traditions is also perceived as a plus by some respondents.

The nostalgic perceptions evident here illustrate the different motivations among Club Med members. Some are attracted by functional benefits like sporting provision or the firm's all-inclusive pricing policy. Such consumers invariably measure value in economic terms and are likely to remain patrons if they perceive that the revamped organization continues to provide this value. If not, they may see if an alternative provider can offer them something better.

Feedback also revealed members who feel emotionally tied to Club Med and consider the changes as tarnishing their past memories with the organization. For this type of patron, the new positioning conflicts with these sentiments. Whether they continue to visit essentially depends on how many of the old traditions and norms are retained. For example, many regard

Club Med's collectivist ideals as fundamental to the experience but fear for their survival because of the shift to cater for more individualistic tastes.

One conclusion to this exploratory work is the identification of four different response categories based on the acceptance/resistance and positive/negative dimensions. The authors note, however, that the distinction between these consumer types is not always clearly defined.

Conclusions and further research

It is Quester & Fleck's belief that customers faced with a drastic repositioning akin to that undertaken by Club Med will reassess their position regardless of brand, product category or sector. One probable outcome is that the brand will come to mean different things to different people.

A key lesson from this study is that managers should not underestimate the strength of feeling within the brand community. The potential for opposition to change is significantly greater when customers perceive brand values closely mirror their own. Managers are likewise warned against taking customers for granted through actions such as changing the core values that bound them to the brand in the first place.

The authors suggest future study to ascertain whether the revamped Club Med has managed to create a new brand community. On the other hand, the investigation may reveal the emergence of a "different brand paradigm" whereby the absence of a community makes the brand just another competitor in the market. By evaluating the financial returns, it may be possible to appreciate what equity a brand community can offer.

Response to drastic change within other brand communities is another avenue to explore. Scholars could, for example, consider ownership change that might include foreign takeovers of established national brands.

(A précis of the article "Club Med: coping with corporate brand evolution". Supplied by Marketing Consultants for Emerald.)