

EVALUATION OF THE EFFECTIVENESS OF AN ORGANIZATION IN THE FIELD  
OF BRAND PERCEPTION USING A COMPUTER AGENT-BASED SIMULATION  
SYSTEM

(Evaluación de la efectividad de una organización en el campo de la percepción de  
marca mediante el uso de un sistema de simulación basado en agentes)

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Research Project

Universidad Del Rosario

Program of International Business Management

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School of Management

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## **DEDICATORY**

To my parents,

To my brother,

To GOD.

## **ACKNOWLEDGEMENTS**

Thanks to Ivan Alfredo Mendoza, director of my thesis and main researcher, for his support and knowledge for the development of the research project.

Thanks to Vianney Koussens, Paul de Lavalette and Nicolas Poupard, founders of “Masaya Intercultural Hostels and Events”, who collaborate and provide support for making this project to happen.

Thanks to Universidad del Rosario and Sup de Co- Esc Montpellier for building me as a professional Business Manager

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## **GLOSSARY**

### **Brand equity:**

1. "A set of assets and liabilities linked to a brand, its name and symbol, that add to (or subtracts from) the value provided by a product or service to a firm and/or to that firm's customers." (Aaker 1991)
2. There are two types of brand equity:

"Customer brand equity is the value customers receive from a brand, less the value they receive from a generic product. Customer brand equity comprises value received before purchase and value received after purchase.

Firm brand equity derives directly from customer brand equity when the firm secures in its customers awareness, positive attitudes, high perceived quality, positively word-of-mouth, intentions to purchase, purchase, brand loyalty, positive brand image and associations (or brand personality), and satisfaction". (Capon 2008)

### **Brand perception:**

Is the way the firm thinks how their brand image is perceived by the customers, employees, associations, competition and vice-versa. (Capon 2008)

### Hostel:

1. A building where people living away from home can stay and get meals at low prices.
2. A cheap place where travelers, especially young people, can stay for a short period of time.<sup>1</sup>

### “Masaya Intercultural Hostels and Events”:

Is a quality Hostel designed for flashpackers or customers with more budget than the regular ones. It offers quality Hotel services but with Hostel prices. It is located at the center of Bogotá, Colombia. (Masaya Administration 2012)

### Flashpackers:

“A Flashpacker is someone who travels like a backpacker but with a bigger budget. Flashpackers have enough to sleep well, eat out and spend some money on experiences backpackers skip. Flashpackers are usually in their 20s and 30s, seeking adventure and new experiences, and have a bigger travel budget, usually from an established career. How they choose to spend their money varies slightly, but one thing is for certain – they maintain the backpacker’s travel mentality.” (Ball 2010)

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<sup>1</sup> Source: Macmillan Dictionary. © Macmillan Publishers Limited 2009–2013

## **ABSTRACT**

The present research project tries to use a computer simulation using agent-based modeling to measure the brand's perception of an organization in the context of a heterogeneous population. This will provide information useful for the organization to better understand its customers' behaviors towards the brand. The purpose of this agent-based simulation system is to model a person's perception-reasoning-action process to simulate a reasoning process as the outcome of an accumulation of perceptions that eventually will result in a customer action. This result will define the customers' brand acceptance or rejection decisions towards the enterprise.

A research process was needed to gather information about a specific organization in the field of marketing. After collecting and processing enterprise data, the analysis of their brand perception is applied through a simulation process. The results of the experiment are submitted to the organization in the form of a report based on conclusions and marketing recommendations. This report shall be useful to improve the organization's brand acceptance. Also it shall contain an evaluation of the characteristics, strengths and weaknesses shown by the computer simulation system, evaluation that was designed as the product from a marketing perspective.

**Keywords:** Flashpackers, Brand perception, Hostel, Tourism, Colombia, Marketing, Agent-based Simulation, Simulation.

## RESUMEN

Este proyecto de investigación busca usar un sistema de cómputo basado en modelación por agentes para medir la percepción de marca de una organización en una población heterogénea. Se espera proporcionar información que permita dar soluciones a una organización acerca del comportamiento de sus consumidores y la asociada percepción de marca. El propósito de este sistema es el de modelar el proceso de percepción-razonamiento-acción para simular un proceso de razonamiento como el resultado de una acumulación de percepciones que resultan en las acciones del consumidor. Este resultado definirá la aceptación de marca o el rechazo del consumidor hacia la empresa.

Se realizó un proceso de recolección información acerca de una organización específica en el campo de marketing. Después de compilar y procesar la información obtenida de la empresa, el análisis de la percepción de marca es aplicado mediante procesos de simulación. Los resultados del experimento son emitidos a la organización mediante un informe basado en conclusiones y recomendaciones a nivel de marketing para mejorar la percepción de marca por parte de los consumidores.

**Palabras clave:** Flashpackers, Percepción de marca, Hostel, Turismo, Colombia, Marketing, Simulador basado en agentes, Simulación.

## INTRODUCTION

*A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.*

Stephen King

WPP Group, London

A brand is a name or a symbol that identifies the goods or services of a seller (Aaker 1991) it differentiates her goods from those of the competition and it thus signals to the customer the basis of the product. Since the twentieth century, marketing has gained a role in differentiation of brands and customer perception (Aaker 1995).

The present research project tries to give a solution to a single organization's problem of understanding in a better way their customers' behavior and the associated brand perception. This solution is obtained through a methodology based on a complex system that works by means of a computer simulation using agent-based modeling. The purpose of this agent based simulation system is to model the perception-reasoning-action process to simulate a reasoning process as the outcome of an accumulation of perceptions that results in a customer action. This result will define customers' brand acceptance or rejection decisions towards the enterprise.

To achieve the mentioned purpose, a proposed objective is to assess how effective is an organization's effort in the marketing area, especially in the field of brand perception using a proprietary simulation system that implements a methodology

for measuring it (Mendoza 2012). This general objective will be followed by specific objectives whose function is to capture information and the necessary process of

evaluating the brand. Therefore, with the obtained results, a set of recommendations can be proposed from a marketing-consulting perspective about the company's characteristics. These recommendations are the consequence of an interpretation of the agent – based simulation system's results.

To proceed with the brand perception analysis, it is necessary to follow a methodology that allows the expert to gain knowledge about the brand, the company, their customers and other related actors that play important roles in the conception, design, manufacturing, distribution and deployment of a product or service, as well as the organizations associated to the brand. It is also essential to have an interview with the company's marketing representative or director in order to obtain the most precise data before working with it on the laboratory. Once information is collected, the simulation system (at the laboratory) is initialized. A final report on the simulation results, the comparison with the results of a survey (later introduced) and the findings during the research, will be part of a final report.

The expected result of the project is to provide a report with the simulation results and recommendations. This report shall be delivered to the studied company. The purpose is to show useful conclusions that can benefit the company's marketing strategy.

The next expected result in this work is to provide an analysis from a marketing consulting point of view about the characteristics, strengths and weaknesses of the agent simulation system.

## **1. DEFINING PROBLEM STATEMENT AND OBJECTIVES**

### **1.1 Research Problem Statement**

Organizations struggle to find a desired ability level to understand customers' behavior when selecting a product or analyzing their perception towards a given brand.

Attempts have been made to analyze this situation by disciplines such as psychology and management. These efforts have provided solutions that cover certain aspects, such as the characterization of the customer base, the identification of potential customers, the identification of customer's preferences in a given segment of market that correlates with their culture, nationality, race, etc.; the development of targeting advertisement aimed towards a more appropriate population or the redefinition of corporate values such they become more suitable for a relative fast changing society.

The representation of the before-mentioned aspects can be achieved through a methodology based on a complex system developed by means of a computer simulation that uses agent-based modeling. The system receives an input that corresponds to the organization's different segments to be measured. Such segments should have a measurable relationship. This work pretends to use an already developed computational simulation model in an organization to measure and evaluate the interactions of its brand's components and its results in this area. To isolate brand acceptance or rejection decisions is a main problem also stated by Aaker when addressing the usefulness of a model used to evaluate a brand's performance.

## **1.2 Justification**

Various approaches have been used to resolve issues between organizations and their environment in the marketing context. Theories from psychology and philosophy have contributed with their own perspectives, adjusted towards a marketing approach (Mendoza 2012). Management, in a more traditional sense, has sought to increase customer retention and increase their satisfaction as a measure to improve and expand markets.

In addition, computer science has contributed to resolve marketing issues by applying machine learning techniques and other artificial intelligence tools to market data analysis, and also by improving behavioral targeting that is the task of predicting customers responses based on the principle of perception, reasoning and action.

This project aims to be applied in a well-known organization, for its expansion, adaptation and segmentation, or a starting organization characterized by innovation and a promising future. The present work aims to model the perception-reasoning-action process starting from analyzing the granular conceptual components coming from an organization to simulate the process of brand perception. Once the customer has been influenced by various stimuli, the reasoning process is simulated as an accumulation of perceptions that results in a customer action, which at last will agree with the company's marketing strategy or it will not.

## **1.3 Objectives**

### **1.3.1 General Objective**

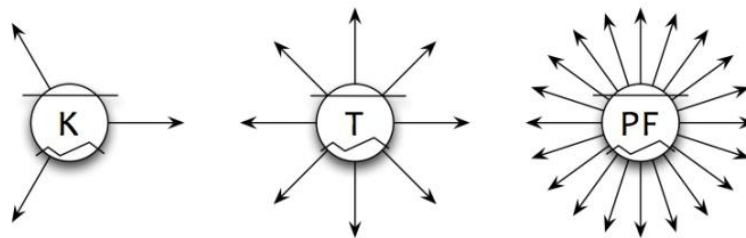
To evaluate the effectiveness of an organization's effort in the area of brand perception by means of a simulation system that implements a methodology for measuring it.

### 1.3.2 Specific objectives

- Gather information about a specific organization in the field of marketing. This information shall come from reputable sources inside the organization and will be the outcome of an interview.
- Based on the interview's results, segment the groups of people related to the brand to get themes that will become the inputs (segments) of the tool to measure perception.
- Decompose the brand segments found into sub segments that will serve to measure the brand impact on the target population.
- Make a report for the brand with the computer simulation's results and the necessary marketing recommendations.
- Describe from a marketing consulting perspective the characteristics, strengths and weaknesses of the computation simulation system.

## 2. METHODOLOGY

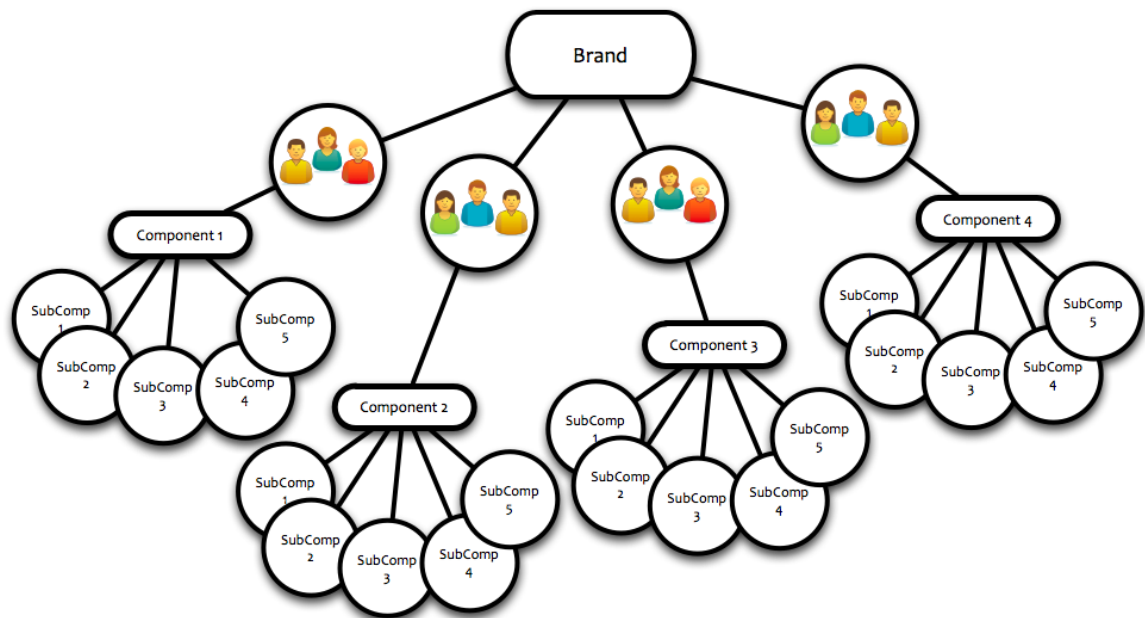
The research aims to inform an organization about their environment and themselves. To start the process is necessary to take an introductory look at the possible groups of people who may be in some way related to the brand, not just the customers as these are just the final link in the process of purchasing a good or service, but different actors that play important roles in the conception, design, manufacturing, distribution and deployment of a product or service. At the same time, other associated organizations must be classified such as: regulators, beneficiaries of social responsibility activities, other businesses who benefit indirectly from the success or failure of the organization, suppliers and others. For each of these groups a classification into subgroups with common denominators should be made, and a review of the role played by the organization in front of them is to be studied. A diagram of the following type (channels of perception and action thresholds) must be the result of this preliminary analysis:



**Illustration 1: three different prototypes for perceiving subjects with increasing exposure to an organization's influence. Source: Modeling and Simulation Laboratory. Rosario University**

This diagram shows three kinds of persons related to the company and their relative ability to perceive values from it. Once satisfactory results about the role of the brand on certain groups in society are found, a preliminary list of values can be compiled, values that the organization wants to present. This list must be completed with the facts or assumptions that are part of the related imaginary

groups of identified persons. When the list is ready, common elements can be extracted so that the set of value groups matches the population groups. In this way, “perception cores” for the brand are formed. The following diagram shows the steps involved in building an n-ary tree for decomposing the brand in values, facts and assumptions: (1) brand identification, (2) the associated components of the brand identification and, (3) groups of subcomponents obtained from the previous results when changed into “perception cores”.



**Illustration 2: n-ary tree Diagram Model. Source: Modeling and Simulation Laboratory. Rosario University**

Once this whole diagram is ready, an interview with a relevant person within the organization must be conducted, preferably a marketing director or a general manager if it is a small business. During the interview, the director should confirm and/or correct the assumptions made in the n-ary tree diagram. From the information provided at the interview, the n-ary tree diagram of values and perception cores shall be adapted and modified, as well as the diagram of population groups. The results are inferred from the diagrams and become the

inputs of the agent- based simulation tool. At this point the simulation is executed (in the laboratory).

A final report on the simulation results, the comparison of them with the results of the survey and the findings of the research are prepared for delivery to the organization being studied.

The following are the deliverables that should be the outcome of the thesis:

- [Selecting the Studied Organization](#)
- [Preliminary diagram of population groups](#)
- [Preliminary n-ary tree diagram](#)
- [Interview to Masaya](#): Transcription.
- [Analysis of the interview](#)
- [Final version of the tree diagram and population groups](#)
- [Brand Perception Survey](#)
- [Conclusions](#) and [recommendations](#) for the studied company.

### **3. SELECTING THE APPROPRIATE ORGANIZATION**

The process of selecting the studied organization was based on several criteria. At first, requirements stated that a big company with a well-developed trajectory and with a great market expansion was needed. Several companies were in mind for the project, and one of them was L'Oréal.

Later it was thought that it was better to apply the tool in a company that really needed it. So it was not necessary to study a big and successful company but a smaller one that could show marketing issues to solve and recommendations to receive. So the search started, two companies became candidates: “Endulza tu paseo” which is a well-recognized Colombian company in Bogotá, it produces typical Colombian desserts. The other one was “Típicas Empanadas” which produces a very typical product called “empanada” which is a favorite Colombian fast food; this company’s expansion during recent years has been steady.

As the selection process was progressing, it was decided to look further for a company in its inception stage, one that would have an innovative perspective and managed by young entrepreneurs. Such company should not have a marketing department or had undertaken an analysis on brand perception. The selection process resulted in meeting three French persons, about twenty-five years old, which lived in Bogotá. The company was founded in Bogotá in the beginning of year 2012, and showed a big expansion over the year. Their dedication and effort demonstrated how far they were going to get in Colombia and their ideas were innovative in comparison to their competition. This was the kind of company this study was looking for, one that was newly developed by recently graduated entrepreneurs, motivated and vision minded. This business shows a strong and fast success and also it provides aspects to be improved in order to make it even better. But most importantly is to make people know how three foreign students fell

in love with this country and decided to stay and create a business for helping Colombia, offering jobs and even better, promoting tourism to foreign tourists.

### **3.1 Justification for the selected company**

According to studies in International Business Management, working with these French students was a desirable scenario for the application of this field, since undergraduates have always learned about foreign markets, and how to relate and do business with other cultures. They learn how to create, innovate, and apply ideas to make a difference from competitors. They learn how to internationalize an enterprise from a marketing perspective, and how globalization is affecting people in their efforts to develop a business in different countries. This aspect is useful to show how market expansion is making people from the entire world and different cultures to look further and take advantage of other markets to create their own business.

The selected company is called “Masaya Intercultural Hostels and Events”. It is a “hostel-hotel” located in the historical center of Bogotá, La Candelaria. It was founded by Vianney Koussens, Paul de Lavalette and Nicolas Poupard. The idea came when these three young men came to Colombia for the first time in 2007 for a university exchange student program that lasted one year. Back then, Paul went to Cali at Univalle while Vianney and Nicolas went to Universidad Del Rosario in Bogotá. They had studied Management at IESEG School of Management in France, and graduated in 2010.

In their words “Masaya is about three young people bound by their shared passions: travel and culture exploration. An idea was born from their encounter, that of making possible a different way of travelling.



**Illustration 3: Entrance of "Masaya Intercultural Hostels & Events". Source: Masaya's web page**

"Following extended stays in local cultures in Colombia, Argentina, China, England, India, and Hungary, we are aware of the difficulty for newcomers to understand and assimilate the workings of a new environment; it seemed essential to share our experiences in *cultural immersion* with travelers worldwide. The notion of Masaya was born from this desire."<sup>2</sup>

The basic concept of Masaya is a place that offers accommodation, catering, travel arrangements, and events, facilitating the integration of its guests with local people and other travelers.



**Illustration 4: General spaces of "Masaya Intercultural Hostels & Events". Source: Masaya's web page**

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<sup>2</sup> Information provided by the owners of Masaya available at their web page: <http://www.masaya-experience.com/mind-value-concept> (available Jan 2013)

## **4. CONSTRUCTING PRELIMINARY DIAGRAMS**

Preliminary diagrams for population groups and brand perception segments (an n-ary tree) are needed prior to an interview with management officers at the studied organization. It is Important to arrive at the interview with a general concept of the brand and service/product that is offered to customers. This general perception shows interest on the brand and how different is from the managers' perception of the studied enterprise. At the same time, the preliminary diagrams make the interviewed manager make more emphasis on each segment or association of the brand.

### **4.1 Preliminary n-ary tree diagram**

The following preliminary n-ary tree diagram divides the brand into six groups. Each division defines a group of individuals or entities that keeps a relation towards the brand. It is assumed that Masaya's perception is different in each one of the above and therefore the division is justified. For further inquiry, it is necessary to analyze the future interview to check the correctness of this tree and modify it until a useful one is obtained, in order to be used as input for the agent-based simulation system experiments.



**Illustration 5: Preliminary n-ary tree diagram. Source: The author**

#### **4.2 Preliminary population-groups**

Population groups are the result of the question about how to gather the different relations that the administration or the Hostel itself maintains with the environment and inside their very facilities. The following groups of people were identified for the organization:

1. Universities and institutes: they maintain exchange programs and encourage foreign students to come to Colombia.
2. Foreign students: coming to learn Spanish or study in a local university.
3. Festival Patrons.
4. Competitors.
5. Human resource: in permanent contact with the Hostel.
6. Local students: coming from other cities to study in Bogotá.
7. Neighbors
8. Colombian Families: not being directly influenced by the internet methods of finding information.
9. Foreign tourists: mainly Flashpackers.

10.Bar-Restaurant Patrons: from Bogota. These come and use some of the hostel services but do not stay in the Hostel.

11.Hostel Event Patrons: they also come and use only the hostel services. They seldom go outside.

These groups will be used along with the information from the administration to build more complete versions of the diagram.

## **5. DATA COMPILATION**

### **5.1 Interview Format**

The next step for collecting data of the studied organization is taken through an elaborated interview. For this purpose general and specific questions related to their marketing approaches are needed. The format is as follows:

#### **Masaya's Interview Format**

The final objective for this interview is to identify the brand's components and the different relations among them along with the identification and characterization of their environmental links for the further analysis. The following are models for the questions that should be asked in the interview. These shall not be used strictly but may give a good path to find information in the context of a relaxed conversation.

First Part: introduction to business activities and relations

1. How did the idea of developing Masaya start? Why did you choose La Candelaria for the location of your hostel? What aspects did motivate you to invest in Colombia rather than in France?

2. What enterprises or organizations does Masaya have a relation with?

Examples: Travel agencies, suppliers, corporative clients, restaurants, internet service providers, hotel associations, chamber of commerce.

3. What kind of customers does Masaya have? Is there a relation between these kinds and the rates charged to them? In average, how long does each type of customer stay in the hostel?

4. How is the relation between Masaya and the community of La Candelaria?  
Do neighbors help you promote your brand?
5. How is your relation with the competitors in the area?
6. How is relation between the management and the employees? And how is it between the management and the clients? Do you have high rotation of human resources?

Second part: marketing

1. Do you have a marketing department or a person in charge of this area?
2. What kinds of products does Masaya offer?
3. How much do you take from ideas of your competition to apply in your own business? Have you innovated? What are you doing that the competition does not?
4. If the Chamber of Commerce offers you a gift of \$100 million pesos, exclusively for marketing use, what would you invest it on?

## **5.2 Results of the Interview**

The proposed interview was applied to Vianney Koussens one of the co-founders of Masaya. It took place on December 18<sup>th</sup>, 2012 at a restaurant close to Masaya, in La Candelaria, Bogotá. The interview lasted 0:35:31 minutes. The extension of the interview is 16 pages that are available as an attachment at the end of this document at: [Interview to Masaya](#).

## 6. INTERVIEW ANALYSIS



**Illustration 6: Decoration and distribution of spaces of "Masaya Intercultural Hostels & Events". Source: Masaya's Web page**

The concept of Masaya is to be a hostel that offers services traditionally classified in the range between a hotel and a hostel. Its products and services should meet higher quality standards than those offered by a regular hostel; they should reach the ones offered by a hotel but with lower prices.

The reason behind this concept is their approach to customers. They offer a product for a new type of customer that is called "flashpacker". This word describes a young person that because of the globalization and technology finds easy to travel and has a higher budget than a backpacker. The flashpacker likes to travel to places that offer a higher level of comfort than that obtained from places a regular backpacker goes, so they search for a hostel with better accommodation facilities and services than regular ones (less expensive ones). They prefer hostels than hotels because the first ones offer a different atmosphere based on sharing with other people and spending time in the common areas to socialize and make

friends. Masaya offers four types of products: accommodation, travels, restaurant services and events.

### **6.1 Associations**

Masaya has different relations with other organizations, in the following is shown each type of relation:

- Universities: Masaya offers accommodation and assistance to foreign students and students in exchange programs.
- Restaurant: they used to have a franchise of a restaurant. This helped Masaya entrepreneurs to gain experience in the food field but they later discovered that the restaurant was not the best option for them. There were not enough revenue and it represented a risk for their security since they received about fifty people a day who were not direct clients of the hostel. The current approach in this area is a bar that offers “tapas” and a selection of wines.
- Web pages for tourists: They used this tool as a strategy of communication. Currently they are ranked on the first place on tripadvisor for the best hostel in Bogotá, an aspect that ameliorates their brand image. They have also presence in hostelworld, hotelbunkers, and booking. .
- Hostel Associations in La Candelaria: a strategy that increased the people’s recognition of the hostel and improved its reputation. They are present in “La zona C”, the la Candelaria zone that gathers restaurants, five-star hotels like “Hotel de la Ópera”, CasaDeco and other establishments. They are also part of the Hostel Association of in La Candelaria which name is “ASACAN”.
- Business agreement with Colombia Adventure: this is a travel agency in Bogotá that offers diverse types of travels plans for tourists specially “eco-tourism”. They also offer plans related to extreme sports, and a traditional tourism package in Colombia. Their relation is positive since the type of tours the later offers (eco-tourism) matches with the type of product that Masaya wants to offer: an adventure experience.

## **6.2 Competition**

Coachsuring represents an indirect competition. On the other hand, their relation with the direct competition at the beginning was intimidating but later it became honest and peaceful, as well as with the neighbors, for whom they organize events in the context of the community.

## **6.3 Suppliers**

Suppliers are limited to those providing cleaning products, food, beverage or cigarettes. Masaya has about twenty suppliers. Their relationship is positive when their distribution times adjust with the hostel schedules. Normally suppliers deliver on time but it depends on the local traffic and other external factors.

In regards to the gas supplier: Masaya experienced a stressful episode with the company that installed the gas pipes in the location. They did a poor and late job. Finally, TV and internet provider is Telmex, with whom they had experienced a few technical problems.

## **6.4 Customers**

Their customers can be divided among flashpackers, Colombian students from other cities than Bogotá, Colombian families, people that come to organize and participate in festivals, athletes, artists, and indigenous people. All this categories can be complemented with people between thirty five to forty years that want to spend higher amounts of money on accommodation in comparison with backpackers.

## **6.5 Marketing**

Masaya does not have a marketing department but still they are doing well in terms of brand perception. They have a web page designed by their company in France. They make advertising just on Internet thanks to their web page, travel-specialized sites and, in a lesser extent, social networks. They also use the voice-to-voice technique to advertise their brand. The owners want to invest more in this subject

so that they can achieve a stronger presence in Google and other web sites such as tripadvisor, hostelworld, etc.

They insist that the reason why they chose to begin with the Masaya concept in La Candelaria is because they believe this neighborhood is the heart of Bogota and Bogota is the heart of Colombia in regards to the touristic, artistic, political and historical aspects. This fact makes La Candelaria to be a favorite destination of tourists coming to Colombia.

For the last question made in the interview about the possibility of obtaining marketing funding, their answer was to invest in the web page to increase its functionality to levels observed in hotel chains like a booking web application. They also could invest on web marketing to increase their presence on Google and to be present in the travel-guide books around the world.

In terms of their products, specifically their accommodation products, they offer several types of rooms according to the preference of the client.



**Illustration 7: Example of a private room of Masaya hostel. Source: Masaya's web page.**

This defines very closely the types of clients mentioned before.

## 6.6 Innovation

In terms of innovation and creativity, Vianney, Paul and Nicolas took some ideas from hostels around the world while they were travelling, since traveling is one of their passions. They have implemented new ideas that differentiate them from the competition, for example the shared rooms have beds with their own curtain so that customers can experience a little more privacy.



**Illustration 8: Example of innovative beds with their own curtains. Source: Masaya's Web page.**

Another idea they implemented is to have all the hostel facilities available for free to all of the customers. Another innovative idea is the “Language Café”. This is an event that takes place every Tuesday after 18:00. The objective is to have a space in the hostel for letting people from different regions countries and languages to share their experiences and share time together with live music and beverages. For this event it is not necessary to be a customer of Masaya, anyone can join them.

In their products they offer local tours, extreme sports, close experiences with the Colombian culture, for instance taking the clients to play “tejo” and obviously,

accommodation, which is the product that produces a higher amount of utilities to the company.

### 6.7 External Environment

Their relations with the external environment are positive; they have a good relationship with the community that surrounds the hostel. Masaya helps the community to discuss topics about security, trash cleaning and other issues related to a neighborhood. They are also involved in cultural Colombian events in order to integrate with the community. For example, in December, Masaya participated on the Candles Night which is celebrated on December 7<sup>th</sup>. They decorated their street along with their neighbors and shared some candies, as it's seen in the next illustrations:



Illustration 9: Example of Masaya's integration to community and neighborhood. Source: Masaya's web page

In terms of competition, they had problems at the beginning because they came as the youngest and foreign entrepreneurs in the sector that decided to set a competition to other Colombians hostels. But later on, people became familiar with them and it became obvious that they shared the same idea of promoting tourism in Colombia, supporting each other when necessary.

### **6.8 Internal Environment**

Their internal environment is also positive. They have a good relationship with their employees; most of them are Colombian students, so the atmosphere is comfortable, young and enthusiastic. There is a high rotation of employees since their schedules may not be convenient with the working patterns forcing them to leave.

### **6.9 Future**

For the year 2013 Masaya is expected to expand. The young French entrepreneurs are planning to open two more hotels in two different cities in Colombia. For the long run, their dream is to become an international chain of hostels around Latin America and the rest of the world.

## 7. FINAL VERSIONS OF THE DIAGRAMS

### 7.1 Perception models of the studied populations groups:

According to the number of groups established in the preliminaries diagrams, it is analyzed their level of involvement/interaction towards the environment (number of arrows) and the readiness of action towards the environment(%)

Table 1: Population Groups Analysis

Population Group	Name	Number of Arrows	Readiness of action
1	Universities	8	50%
2	Foreign Students	10	10%
3	Festival Patrons	6	30%
4	Competitors	10	80%
5	Human Resource	10	20%
6	Local Students	7	50%
7	Neighbors	8	70%
8	Colombian families	3	90%
9	Foreign Tourists	10	40%
10	Bar Patrons	4	20%
11	Hostel Events Patrons	5	30%

Models representing the previous information of the table:

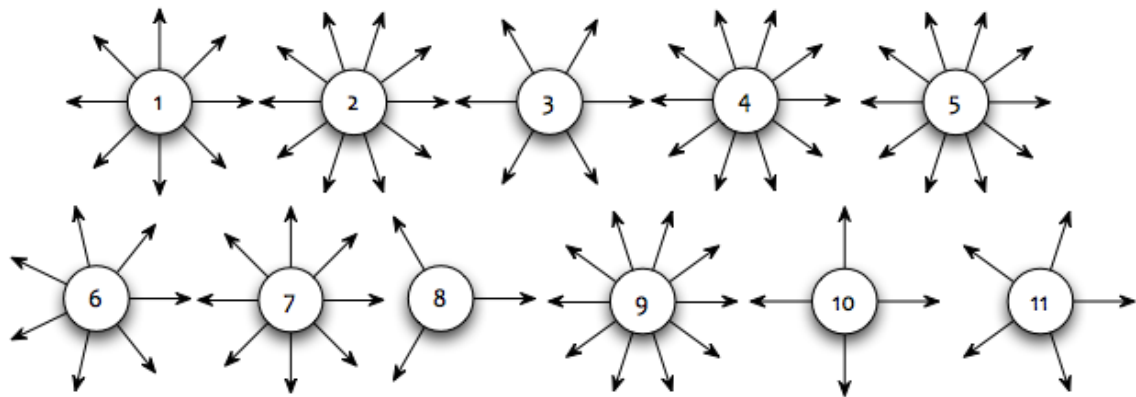


Illustration 10: Perception models of the studied populations groups. Source: I.A Mendoza

The following diagrams show the perception capacity for each population group in the study. Group 8 shows the lowest tendency for accept external input from the brand although many groups shows 10 arrows indicating overt openness to them. These very values are parameters for the simulation and play a crucial role in its performance as the number of times that a perceiving subject is exposed to the organization's influences is the number of times that an agent tries to 'perceive' in terms of computer cycles attempting to perform an operation of inclusion of a value inside the mentioned agent. The following table shows the number of arrows per population group and the average readiness of each to perform an action toward the organization. The outcome of this action is decided later in the simulation process.

## **7.2 Finals n-ary tree diagrams**

According to the analysis of the interview conducted with one of the Masaya founders, a final version of the n-ary tree diagram was developed. Its structure is similar to the early one, but many changes were introduced. Also, each of the groups of the first line of segments is divided into subgroups indicating its divisions into specific components. These components correspond to the previously mentioned "perception cores" which are derived from the individuals or society groups that have a relation with the brand. There are at least three subgroups for each group, moreover, for the group of products there is an additional line of subgroups indicating a more segmented variable for the analysis.

Basically, there are three segments levels, indicating the divisions of groups that have a relation to the brand's perception analysis. Illustration 10 shows these three levels of groups and subgroups. The objective is to understand this layout so it can be used as the input for the agent-based simulation system.

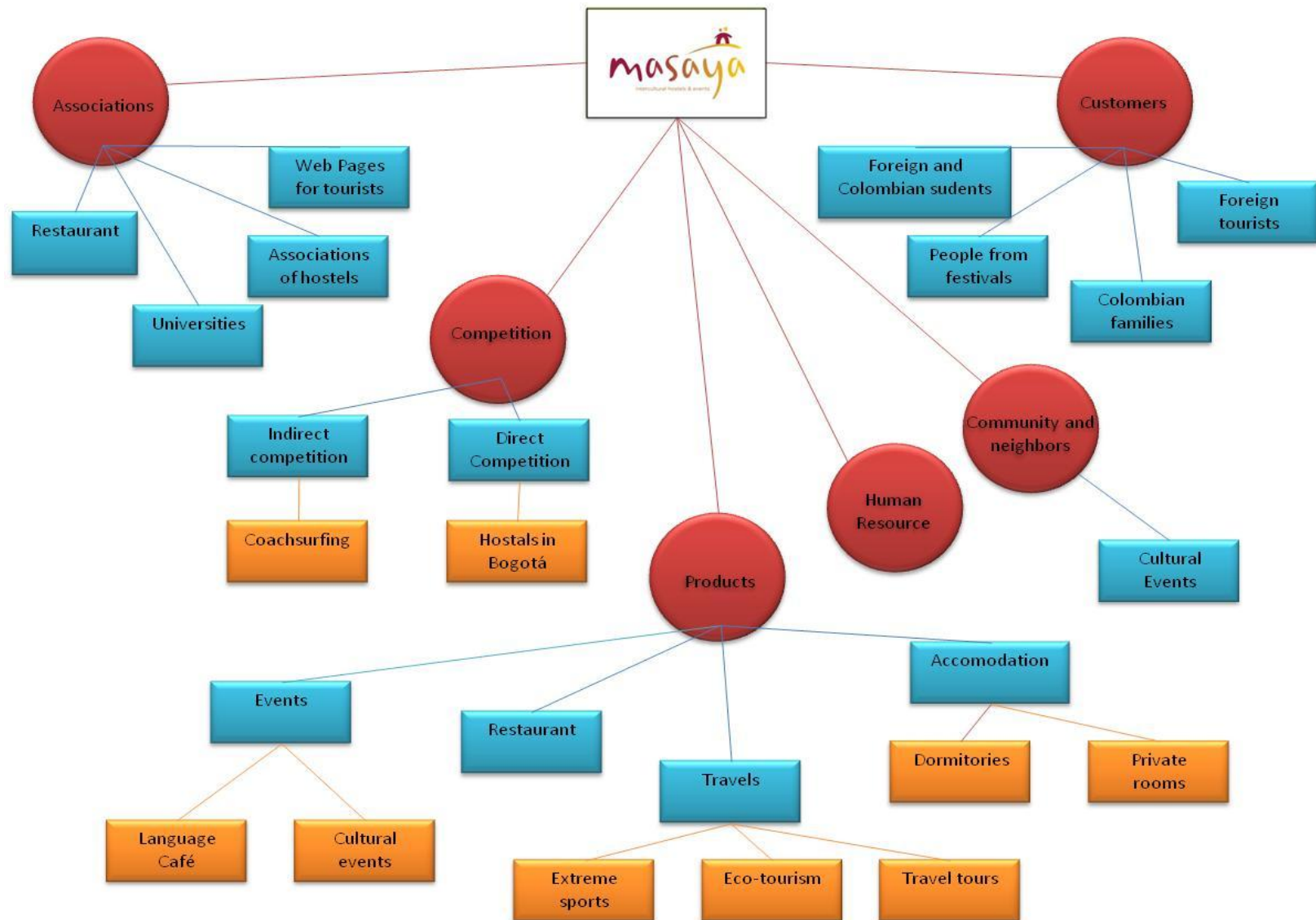


Illustration 11: Second version of the n-ary tree diagram. Source: The author

As shown in the previous diagram, the tree can be explained as it follows:

The Masaya logo is the root of the tree, which means the parent level or the brand itself, the concept that shall be perceived by all the entities below it. From the root (Masaya logo), six red nodes derive; these are drawn as red circles. Each circle represents a first level or the groups of subjects directly related to the brand. In this case they are: Associations, Competition, Human resource, Products, Community and neighborhood, and Customers. However, this first level is designed to gain understanding about the general population gatherings that in some way perceive the brand. Then, it is necessary to decompose each group into segments in order to explore further relations that affect brand perception.

So, from each red circle a number of blue nodes can be derived. These squares form the next level, which in time is also divided into subgroups. Each blue brand-related subgroup belongs to a certain red population group, revealing information about the specific subjects that have an influence on the parent people group.

For the third (blue) level of the four drawn in the diagram, there are other nodes that are derived down to reveal more segments that add up even more information. So the fourth level is formed by orange rectangles. It is important to notice that, from all the nodes in the second level, the “products” does not represent a group of persons but a brand segment; this issue will be resolved in the final version of this diagram. Moreover, this node is the one that has more subgroups and decompositions of subgroups.

Once the four levels of the tree are completed, the next step is to characterize each variable of the tree as an input to the agent-based simulation system in order to generate the brand perception analysis.

The final version is shown below:

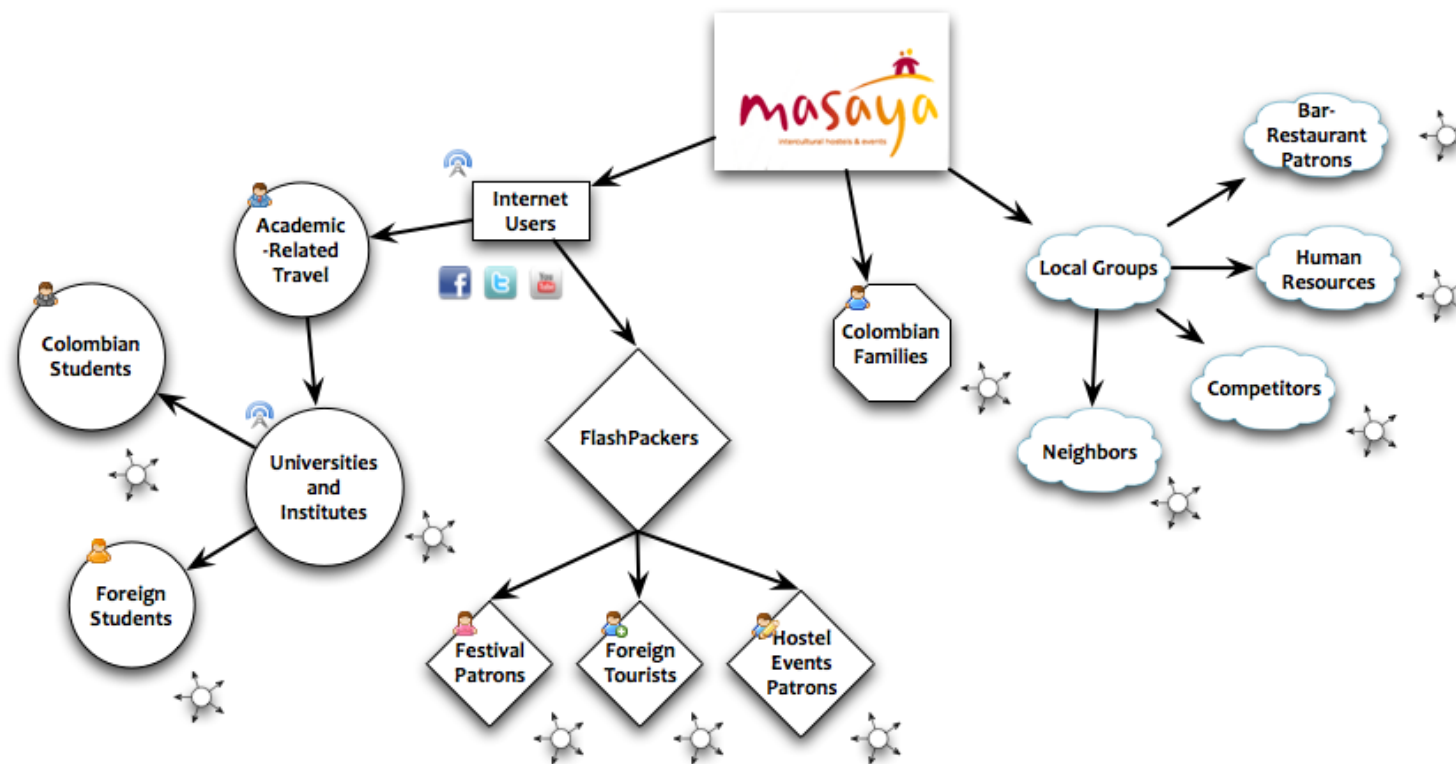





Illustration 12: Final version of the n-ary tree diagram. Source I.A Mendoza

## Legend

-  Perceiving Individuals
-  Hostel Guests
-  Informational Channel

A special version of the tree is shown below. This will be used as one of the inputs for the simulation. The diagram discriminates three main focal groups according to a number of similarities shared among their members. As "Colombian students" and "Foreign students" are found among the population groups, a super-group of academic related travel can be formed. Also, Universities and Institutes share this common ancestor.

In the same way, Festival Patrons, Foreign Tourists and Hostel Events Patrons belong to the same super-group called FlashPackers for reasons concerning their traveling idiosyncrasies. As all of the above share a common informational channel to be advertised, the parent group "internet Users" can be formed.

On the other side, local groups of persons can be devised. They comprise people in Bogotá working for the Hostel, Competitors, Neighbors and bar-Restaurant Patrons. All of these are complemented by "Colombian Families" who cannot be classified in the "Local Groups" group as they come from other cities and are not local indeed. Moreover, they seldom use internet-extracted information to locate and select the hostel.

As a result, Academic-related travel, FlashPackers and Colombian Family Tourism can be devised as the "perception cores" of the system.

## **8. BRAND PERCEPTION SURVEY**

The next step in this project is the application of surveys that can show the opposite side of Masaya's perception through the customers and employees. These surveys are divided in two parts: One is exclusively for customers and the other one is exclusively for employees. Each question demands the subject to show her perception about the brand based on her own experience. The results of their surveys would be analyzed and compared to the results of the simulator to prove the effectiveness of the agent based simulation system.

For this project, a model of survey is introduced so further practical research can be conducted based on this model. To begin, a survey should have short, precise and simple questions, so customers find straightforward to answer them. The amount of questions should be enough to occupy one page, and should provide the kind of information the researchers need to analyze. Finally, for an efficient analysis of results it is necessary to use multiple choice-type questions. The instrument (survey) has only five multiple-choice-type questions, concerning about some superficial aspect of the brand such as the subject's experience, the general atmosphere in the hostel, experienced products, prices and relations. Also, in the case of the employees, an opinion about their salary was included.

The two formats are shown below:

### 8.1 Survey for customers

1. Please mark how was your experience staying at Masaya?

Excellent

Good

Bad

Very Bad

2. Please describe the atmosphere you felt during your stay at Masaya:

Peaceful

Harmonious

Stressful

Conflictive

If you mentioned stressful or conflictive please describe why?

---

3. Please mark with an X in the table at the back of the page, the quality of each of the products mentioned below:

Product	Insufficient	Deficient	Mediocre	Satisfactory	Excellent
Accommodation					
Restaurant					
Travels					
Events					
Other					

4. Do you consider that the prices corresponds to the service and quality offered by Masaya?

Yes

No

If No, why?

---

5. How was your relationship with the employees and the employers of Masaya?

Excellent

Good

Indifferent

Bad

## 8.2 Survey for employees

1. Please rate the relations you have with your employers:

Excellent

Satisfactory

Indifferent

Bad

2. Please describe the atmosphere you feel working at Masaya:

Peaceful

Harmonious

Stressful

Intimidating

Conflictive

If you mentioned stressful, intimidating, or conflictive please describe why?

---

3. Do you feel motivated working at Masaya?

Yes

No

If No, describe why?

---

4. Do you think your salary corresponds to your amount of work at Masaya?

Yes

No

If no, why?

---

The survey for customers shall be applied for a sample of population, since during the year Masaya has a different amount of people in the hostel, according to the season. So it is necessary that researchers use different methods to calculate the size of the sample of customers needed for applying the survey.

The survey for employees should be applied to everyone (census), although it is important to specify that the survey should be applied to the actual employees at that moment of the year, *ceteris paribus*, (A. Marshall), dissertation employees do not count since they have short term contact with the hostel.

## CONCLUSIONS

The experiment using the agent-based computer simulation system shows how positive or negative actions from the agents (representing population groups related to the “Masaya International Hostels and Events” brand) interact with the organization by the following procedure:

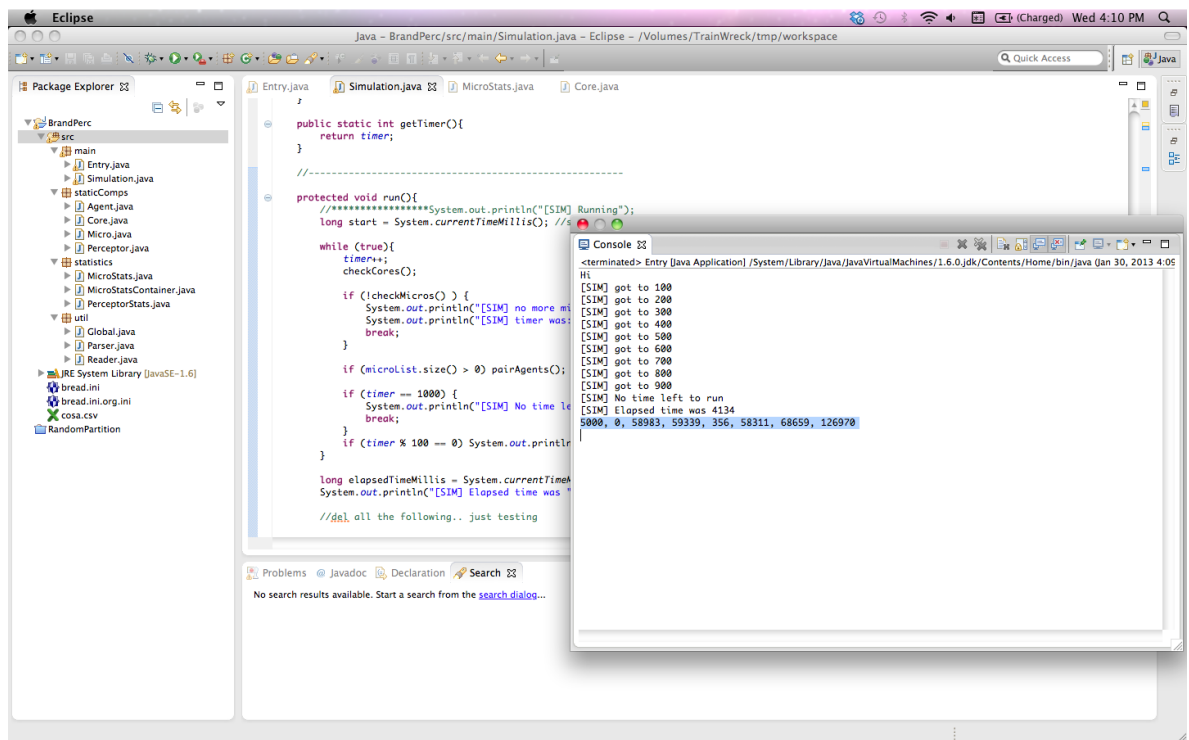


Illustration 13: Image of the The Agent based model Simulator System. Source: I.A Mendoza

The following are the parameters for the simulation:

- [maxgroups] was set to 11 representing the concrete population groups (opposed to abstract population groups like 'internet users') modelled for this case.

- [maxperceptors] is the number of individuals that in some way perceive the brand, no matter if they are customers, neighbors or any other kind of person. There are 5000 in this round of simulation runs.
- [maxcores] is set to 4 indicating the number of main themes (perception cores) around which the whole brand perception concept is measured.

The simulation runs for a maximum period of 1000 ticks or time units that in this case are to be considered days. A [maxperiod] of 11 ticks is used by perception cores to release "influences" to an environment full of individuals (whose maximum number is set in [maxperceptors]). In each of these releases a total of 100 influences are located in the environment. This value is set in the [maxgenmicros] parameter. The difference in the influence's effect on perceiving individuals are the amount of ticks (lifetime) that each can actually reach. This value is fixed for each component in the perception core and has an overall [variance] of 0.914 with a maximum value ([maxlife] of 111).

Simulation results show an average of 59004 dead influences in the environment versus 59339 alive and 335 inside individuals and waiting for an action (to kill them or release them again to the environment). Using the previous parameters almost half of the influences were killed by individuals 58314 and 53013 survived from them.

The following is the number of released influences and their surviving percentages after the end of the simulation (perception core):

**Table 2: Resume of results given by the agent based model simulation experiment.**

<b>Perception cores</b>	<b>Number of released influences</b>	<b>Surviving % after end of the simulation</b>
1. Foreign tourists	13467	18.71%
2. Foreign students	12991	89.22%
3. Bar patrons	11884	92.27%
4. Hostel Event Patrons	11557	26.47%
5. Local Students	9876	36.40%
6. Universities	9470	85.50%
7. Competitors	9110	91.60%
8. Colombian families	8872	14.57%
9. Festivals patrons	8546	46.92%
10. Human resources	7948	31.79%
11. Neighbors	7601	99.37%

Source: Data provided by main researcher I.A Mendoza.

As seen in the previous table, the perception cores that are most affected by the environment are the “Neighbors”, the “Competitors”, the “Bar patrons”, and the “Foreign students”. This means that “Neighbors” is the population group that has the biggest influence on the brand’s perception, indicating that any effect or action made by “Masaya International Hostels & Events” has a great impact on the Neighbors group. In consequence “Neighbors” determine in great amount the brand’s perception of the organization.

In the other hand, the perception cores least affected by the environment reactions are “Colombian families”, “Foreign tourists”, and “Hostel event patrons”. This means that these variables do not have a strong reaction about actions made by the organization.

The reason for these results can be explained on the way is constructed the brand's perception of Masaya. Since "Neighbors", "Competitors" and "Foreign students" are individuals that develop strong perceptions towards the brand, they interact the most with their own environments, and their involvement is of great importance for the perception of the brand.

By the contrary, the "Colombian families" do not give too much attention to the brand; their perception is weak, since they are not the customer target of the hostel. The "Foreign tourists" and the "Hostel patrons" are the main target of the Masaya, but their involvement in the environment is not as big as the other perception cores. For example, if a foreign tourist travels to Colombia and stays in Masaya hostel, the impression of the services of the hostel would have a strong effect on herself but not on every friend, family or relatives to that person, because not all of them would travel to Colombia to stay in Masaya's hostel. It just applies to the people who want to travel to Colombia and look up for a hostel.

There is an additional (abstract or common to various population groups) perception core which is the Internet. This one has an effect of 100% of influence and interaction with the environment. Since the foreign tourists can use "tripadvisor" (a web page that provides information of hotels, places and services for tourists) to recommend the hostel. So every person who wants to travel to Colombia and look up for a hostel would be influenced by the qualifications made at tripadvisor, indicating how good the hostel is.

In conclusion, the simulation system shows an unexpected result, indicating that most of the variables with stronger influence power that affect brand perception are not the ones related to consumer target such as foreign tourist, but other variables such as foreign students, competition and neighbors, three variables that have more interaction within the city, the environment market, and the people.

In terms of the simulation system, its strengths are its precision and fast response for delivering and processing data. Its weakness are that is that is difficult to determine or calculate a measurement error, which is important for comparing data results with other measurement results of brand perception.

## RECOMMENDATIONS

The following recommendations are made to improve “Masaya’s Hostels and Events” brand perception:

1. Develop a stronger relation with Neighbors. It is not enough just to participate on events. The organization should create, develop and promote social activities to help the community.
2. Offer assistance to the least favored groups in Colombia, for example they can offer accommodation to special groups or refugees.
3. Promote sponsorships in Colombia. This would make the organization to gain recognition and a higher status among the competition.
4. Improve the relationships with foreign students and the competition. They should make them feel Masaya is not just a Hostel for economic savings but for human benefit.
5. Invest on “word-to-mouth” marketing strategy. People’s perception is spread very easily by social networks, gossips, relationships, etc.
6. Invest on advertisement through Internet. The Internet has a 100% involvement with the brand. Is important to promote the Hostel by social networks, web pages, and develop agreements to make them appear as the most famous Hostel in Colombia.
7. Invest on their web page: A really useful web page should facilitate booking and offer promotion for the brand.
8. For the upcoming hostels from this organization it is important to start advertising in each city of trough social activities that make people to get involved and identified with the brand.
9. Invest on advertisement or cooperation with tourism offices such as:  
“Insituto                      Distrital                      de                      Turismo.”

10. Invest time on the events that are promoted on Masaya's web page since most of the cultural events are not done.
11. Always think that people should feel identified with the brand's mission.

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## **ATTACHMENTS**

### **Interview to Masaya**

Person interviewed: Vianney Koussens, Co-founder of Masaya

Person who realizes the interview: María Fernanda Eraso, Student at Universidad Del Rosario.

**María:** Hello, we are with Vianney Koussens, one of the founders of Masaya. He is going to tell us about the foundation of his enterprise and answer ten questions I am going to ask to you.

Hi Viannney, how are you?

**Vianney:** Good, thank you! And you?

**María:** Very good! So to start with the interview, my first question is: How did Masaya begin? How did it start? Why did you decide to do it in Colombia rather than France?

**Vianney:** Well, first of all, me with my other two other business partners were in a student exchange program here in Colombia in the year of 2007. Nicolas (one of my partners) and I were studying at Universidad Del Rosario in Bogotá and my other partner, Paul, was studying in Cali at Univalle. So we spent one year here. Well, at 2007, there were few people for exchange in Colombia. So we spend all the time just with Colombian people. We had a local experience since we were spending time with our friends' Colombian families, and we loved such experience.

So after one year when we returned to France, we got together and realized that our other friends from our university who were on exchange programs in other Countries like ERASMUS, they had committed a stupidity because they just had spent time with other foreign students and not with the local people as we did.

So, then we thought that there were a lot of opportunities in Colombia, and at the beginning we wanted to make student residences at Colombia because we realized that the country was in expansion and that it was eventually going to receive more people in exchange. You could prove it because in 2007 the total number of foreign students in Rosario University was like six to eight persons, and now they are about seventy students or more.

**María:** But why in Colombia?

**Vianney:** Why in Colombia? Because we knew the country very well.

**María:** so you wanted to come back?

**Vianney:** yes we wanted to come back and also because we wanted to start a new business by ourselves and it was a lot easier doing it in Colombia than in France. It was a project for the benefit of Colombia, because in France there already are student residences. But then, after a while, we realized that offering accommodation for long periods is not as profitable as offering accommodation for short periods. So, the idea of the project changed with time. We had the idea in 2008 and we made it real in 2012.

**María:** so, you decided to make a *Hotel*?

**Vianney:** yes we decided to make a hotel; well its name is still *Hostel* but is more than a hostel is like between a *Hostel* and a *Hotel*. It is aimed basically to a new type of customers that is called *flashpackers*.

They are different from backpackers; these ones have larges incomes in their pockets and more available time. With globalization they can travel more easily, so they are young people that travel for two or three weeks, that have a bigger budget than others kinds of travelers, but still they like the atmosphere of a *Hostel*, since the atmosphere at a hostel is based on sharing with other people, not just spend time in rooms but staying in the common areas.

**María:** the next question is, what type of enterprises or organizations does Masaya have relations with? For example do you have any relations with travel agencies?

**Vianney:** yes, well, inside Masaya we have a division for travels, we offer travel experiences to our customers. So for these travels we work with a company that is called Colombia Adventure. It is a French company.

**María:** so how is this relation with Colombia Adventure and Masaya?

**Vianney:** well, we have known the owner since a while ago, so we used to be friends since we met, we talk a lot, and the type of travels that they offer is quite similar to the ones we were looking for our customers. It is like, more of the kind of adventure travels. It is not like in five-star hotels but more like “todoterreno”.

**María:** how is your relationship with suppliers?

**Vianney:** we have different types of suppliers. For instance, we have suppliers for cleaning products, for the food that we provide in breakfasts, the drinks and small products that clients use to buy for their own consumption like cigarettes. We also have suppliers for the restaurant like fruits, vegetables, meat and seafood. We have like, in average for the entire hostel around twenty different suppliers.

**María:** wow! And how is that relationship? Is it positive or negative?

**Vianney:** is positive when they are on time!

**María:** do they arrive with the established supply?

**Vianney:** yes, in general they are on time depending on the traffic.

**María:** but for example, one of your partners once told me you had problems with the gas installation? Tell us more about this incident please?

**Vianney:** well, basically when we started the business we didn't have a gas installation in the hostel, and then after a few months we decided to invest on gas services to provide hot water for the customers and all that things. We hired a

company to install the gas pipes in the house. Well, the local *Gas Natural* company was in charge of approving that we had a good installation, but the company that did the installation was a different one, so what happened was that when we hired them, they told us that we had to wait three weeks for the work to be completed, and four months later the work was still in progress and, in consequence, we lost money, because they came at hours when we had the restaurant in operation. So we had to close the restaurant. And when *Gas Natural* came because to check the installation (we had an appointment with both companies), they told us that the work was not correctly finished, so at the moment, as we have lost a lot of money, because of closing the restaurant and other issues, we didn't want to pay the full duties we were owing to those guys, and they certainly didn't like it.

So we hired another company and finally we had to pay the first one because they had all the certificates approving our gas installation so we had to sign with them in order to have it approved by *Gas Natural*. But this kind of things happens.

**María:** do you have corporative customers? For example, someone that pays you for receiving clients?

**Vianney:** yes we have agreements with some universities, because since we were in an exchange program and our principal idea of the business was to help students in such programs. So as soon as we came back to Colombia we contacted the universities and we proposed them that we were able to receive foreign students and help them find accommodation. So the universities sent us their exchange students as soon as they came to Colombia and we started to help them.

**María:** well, you used to have a restaurant that was a franchise. How this relationship with the restaurant was?, and what can you tell us about the new one that you are planning to open?

**Vianney:** well, what you need to know is that we started this business without any previous experience, I mean, as soon as we graduated in France we decided to come back here and open the hostel. So we opened the hostel, and the next step was to open a restaurant that was part of the idea in the original concept. So at the beginning I decided to open the restaurant by myself with a French chef and later, I would add an Italian chef, but it was impossible because a chef is like an artist, she is creative and she doesn't think in profitability. And what we wanted was profitability, so we spent a lot of time and we never got into an agreement with those chefs.

Later, I met an old friend, who had built a restaurant a year before us. The restaurant is also located in La Candelaria. And he only had one, but he wanted to have franchises. So I proposed to him like, "let's build up a franchise of your restaurant in Masaya. You win and we also win because in that way we can gain more experience". So he agreed and we built it up.

It was useful for us because we gained lot of experience. He gave us his recipes, the human resources, and we could get started with those. But then after a while, we realized that in the sector where we are located, his restaurant was not the best option for us.

**María:** was the revenue destined more towards your friend or you?

**Vianney:** well, there was not a lot of revenue. Well, the venture gave him exposure and for us, there were just a lot of work. There was not enough revenue since our customers are mainly university students, so, when they went on vacation we didn't have more customers. And finally we realized that having a restaurant like that was not such a good idea for our hostel because of security concerns. For example, at noon, there were about fifty or sixty persons that were not our customers and it was difficult to be aware of everything in the place.

**María:** so now, what is the plan?

**Vianney:** for the next year we are going to change the concept. We are going to the concept of a “bar-tapas” with a selection of wines. Something with a nicer atmosphere for people to come and share time and not just to eat in a hurry. The idea is to have customers that love the place, that enjoy more, and that leave a benefit to the Colombian culture and other cultures.

**María:** In terms of internet companies like Couchsurfing or tripadvisor, do you manage this concept in the hostel?

**Vianney:** yes, the Couchsurfing concept exists in Colombia but it is not applicable to Masaya since we are a hostel and Couchsurfing is something that should be free: that is, like an exchange of couches between people.

**María:** so, you do not have any relationship with them?

**Vianney:** no, but they act as our indirect competition.

**María:** and how is your relationship with tripadvisor?

**Vianney:** we use it for communication, We are in tripadvisor that is a web site that compares all the hostels and hotels in the cities of the entire world, so all the tourists use it. And for us is really useful, mainly because we are ranking on the first place

**María:** ranking the first place in Colombia?

**Vianney:** in Bogota, yes, in our category.

**María:** and what other relation do you have with other enterprises on internet?

**Vianney:** we are in hotelburgers, booking, hostelworld, and that's it, I think.

**María:** how did you manage to gain access to those internet companies?

**Vianney:** you just have to sign up and pay, develop agreements with them. tripadvisor is free, but the others charge us for each reservation we receive thanks to them.

**María:** and, how good is it? Is it useful?

**Vianney:** yes, it is really useful. Those sites attract a lot of customers. If you have really good customers' comments or, if you have bad comments, then is not useful.

**María:** and what about the advertisement?, for instance, how do you manage that concept?

**Vianney:** It is made through internet a lot, thanks to the Masaya web page, and to facebook and twitter. We have a lot of presence there to attract our customers. This is also the case with other web pages such as tripadvisor as we previously mentioned before.

**María:** and, are there any other advertisement methods that you use? Like flyers, etc.?

**Vianney:** no, at the beginning we used to make it in universities with posters to attract students, but that's still an aspect we have to develop because we have to develop the events side of the company, but until we are not able to organize events in an acceptable way, we don't want to make a lot of direct advertisement.

**María:** and for example, the Masaya web site, who made it for you?

**Vianney:** we hired a company in France. So it's a French company that is helping us with that. They have a web page designer, and everyone is in France.

**María:** ok, so you pay to them directly?

**Vianney:** yes, because we had a company also in France that is helping us with that.

**María:** do you also have a company in France? What is it about?

**Vianney:** the concept of our business in Colombia, I mean, Masaya Colombia, is a subsidiary of a French company that is called Masaya Participation.

**María:** oh really?

**Vianney:** yes, we have headquarters in France; we are business partners with a company in France and they are the only business partners of the Colombian company. So that's how we could contribute with our money and also we have a support if something happens to us. Because the idea is to grow and not just building a hostel in Colombia, but also in other countries. So forth, the business development plan is really helpful to us.

**María:** so, is it a company of friends of yours in France?

**Vianney:** yes, we are six business partners in France and Colombia.

**María:** do you participate in any association of hostels, hotels, chamber of commerce?

**Vianney:** yes, we participate in two associations in La Candelaria: One is called "La zona C". That is, the zone of La Candelaria. We also belong to the association of hostels in La Candelaria that is called the "ASACAN" and maybe we are going to be part of another association of hostels around Colombia that is called "Colombia Hostels".

**María:** and why La Candelaria? Why did you decide to develop the business in this sector?

**Vianney:** because for us, La Candelaria is like the heart of Bogota and Bogota is the heart of Colombia. So for us, it was straightforward to begin in La Candelaria.

**María:** and also because of the tourism?

**Vianney:** yes, because this is the touristic, artistic, politic, colonial neighborhood of Bogota, so all the foreign tourists stay in here.

**María:** what about the TV and internet suppliers? Who provides that service?

**Vianney:** We are with Telmex.

**María:** and has it been a good relationship, or have you had any problems with them?

**Vianney:** we have had technical problems. And they are more common in this neighborhood because the network is not working well.

**María:** what have you done to solve that kind of problems?

**Vianney:** right now we have an engineer in the roof who is trying to improve image quality and internet speed.

**María:** but does that engineer belong to Telmex or to another company?

**Vianney:** exactly, he is independent from Telmex.

**María:** the next question is, what are the types of customers in Masaya?

**Vianney:** there are flashpackers, the ones I mentioned before, students, since we receive a lot of students that come on exchange programs but they come from other places in Colombia that means, that they come from another cities and stay about a week per month in Bogotá for attending specialization courses. We have a lot like them.

We also have people that come for festivals because we have an agreement and we receive people from the festivals. For example, we receive athletes, artists, and indigenous people. Basically, we receive people between twenty five to forty years that don't want to spend all their money in accommodation but in other stuff, like the scenery, tours, etc.

**María:** but for example, the festivals customers you mentioned before, how do you manage to contact them, or how do they contact Masaya?

**Vianney:** the voice-to-voice is really helpful. We met a native in Leticia because we worked together for the tours in the Amazon, and in one moment a collective from Leticia was coming for one week to Bogotá for a festival, so he contact us. And that's how it started. People start to know us, and since we are also on internet they found us there, and sometimes they have economic restrictions so they prefer to stay in Hostels.

**María:** and how are the rates for those types of customers you have?

**Vianney:** so, we have several types of rooms, for the dormitories we have a rate of \$25,000 pesos a night for each person without breakfast. Then we have private rooms without private bathroom, the bathroom is shared between these rooms. For that kind of room the rate is \$70,000 pesos a night with breakfast included. We have another room for three persons with shared bathroom for \$105,000 pesos a night with breakfast included.

**María:** is that last room you mentioned private?

**Vianney:** yes, it is a private room with three beds. That means if you arrive with two more friends you can use this room. And we have private rooms that resemble a Hotel room with private bathroom that cost between \$100,000 to \$120,000 pesos a night. That price depends on the size of the room and the breakfast is also included.

**María:** and how much does the breakfast cost?

**Vianney:** \$5000 pesos.

**María:** are customers of the private rooms any different from the ones that choose the dormitories?

**Vianney:** yes they are likely to be couples on first place, or families and more Colombians too.

**María:** oh really?

**Vianney:** yes because Colombians are not used to the concept of hostel, so, to share a room is more difficult for them.

**María:** okay, so the shared rooms, the ones that are cheaper, are they targeted towards foreign tourists or students?

**Vianney:** yes, more the kind of backpackers.

**María:** and, about the middle-priced rooms, are they targeted to groups of friends?

**Vianney:** not always, they are for people that don't care to share a bathroom. It depends: yesterday we received some seventy-year-old persons in a dormitory

**María:** in what kind of room?

**Vianney:** a five-people room.

**María:** Colombians?

**Vianney:** not Colombians, they were foreigners. But right now, we have a Colombian family of five members in a dormitory, but they are by themselves in the room.

**María:** okay, are the majority of customers you have from Colombia or from abroad?

**Vianney:** mmm, there are customers of all types, that depend on the season. Let's say, when there is a holiday season in Argentina, we have a lot of Argentineans. Or when there is a holiday season in France, we have a lot of French people. This also happens with other parts of the world.

**María:** Dou you have any recognition in France?

**Vianney:** yes because since we are French we made a lot of advertisement in there. And because of the voice-to-voice, we receive a lot of French people.

**María:** how long does each type of your customer stays in your hostel?

**Vianney:** let's say between two and four nights. The tourists for example tend to stay enough days to travel around the city and learn all about Bogotá. In the case of students they can stay for a week, minimum.

**María:** and, do you have a convention center?

**Vianney:** no we don't have that.

**María:** and do you plan to have it?

**Vianney:** not here in Bogotá because we don't have enough space.

**María:** How is the relationship of the hostel with the community of La Candelaria? For example, are you friends with your neighbors? Do they help you or not? Do they help you to promote your brand? For example, if a tourist comes to a neighbor and ask her for a hostel, will she mention Masaya?

**Vianney:** yes because we tried to integrate in the neighborhood at first. Since we are French it is difficult, so we made a lot of efforts like participating in the neighborhood events, for example in the candles night, we decorate the entire neighborhood along with our neighbors and we invite them to the hostel. We do the maximum effort to integrate us with them. We also participate in neighborhood meetings to decide how we can improve it in regards of topics like security.

**María:** and how do you manage the security issue? Have you been stolen? Or have you been in trouble?

**Vianney:** no. Luckily we haven't experienced bad things but we also have hired a watchman that stays all night looking after the Hostel in front of it.

**María:** so, in conclusion, is the relationship that you have with your neighbors is positive?

**Vianney:** yes it is.

**María:** and how is your relationship with the competition?

**Vianney:** at the beginning it was a little complicated because all the other hostels that are here since many years saw three twenty-four-years-old French guys arriving to Colombia and starting up a business just like theirs in a big house. So they were kind of intimidated because they didn't know us. But when time passed, we all realized that the competition was positive, that we all could work together for the tourism development in Colombia and the more the tourist came, the more jobs were available for us.

**María:** and how old are the owners of other hostels, in average?

**Vianney:** in average, I would say like thirty-five.

**María:** so, you have an advantage.

**Vianney:** yes, we are the youngest ones in all the meetings.

**María:** Are there any meetings?

**Vianney:** yes, with the associations.

**María:** have you noticed any plots that aim to ruin the reputation? For example, have you noticed someone from the competition talking bad of your hostel or vice versa?

**Vianney:** no we don't want to participate in that kind of things, for example, if there are gossips we try not to participate, that means that we have our own business and we work and concentrate in that, and also if with luck we are full in our hostels, we recommend the others without problem.

**María:** about the internal atmosphere of the business, how is your relationship with the employees? That covers the relations between employers with the employees: What about the relationship between the employers with the clients?

**Vianney:** well, that is part of the concept: harmonic atmosphere among all the people, so basically the atmosphere of the hostel and relations with employees or

clients is the same, always with a smile and also a young atmosphere. Almost all of our employees are students so that's also why we have a frequent rotation because depending of each semester and the courses they are attending we have to adapt.

**María:** so, are you constantly changing employees? Does this happen because they decide it or because you decide it?

**Vianney:** that depends, because sometimes they want to stay longer with us but their university schedules are not convenient for us, so we have to separate.

**María:** the next questions are more related to marketing. Is there a marketing department, or a person in charge of this area?

**Vianney:** no we really don't have that well developed. We used to have an intern who was in charge of the marketing but still we don't have that. There is Paul, my business partner who is the commercial director, he is in charge of those kinds of things, but we don't have it specifically designed.

**María:** What are the types of products that offer Masaya?

**Vianney:** we have the accommodation, the restaurant and the travels.

**María:** and how much did you take from the ideas of the competition in order to develop your hostel?

**Vianney:** before constructing the hostel, we used to travel a lot, so, in different countries we stayed at hostels, and we saw many ideas, and since we had the idea of making one, we used to write down those ideas. But from the hostels here in Colombia we didn't take a lot of ideas; they were taken from other countries.

**María:** and have you innovated in comparison with established competitors in Bogotá? What are you doing that the competition is not?

**Vianney:** yes, we have differences. On the first place, our beds have their own curtain so that helps to have more privacy. We also decided to let all facilities in the hostel available to the client, for example we have a Ping-Pong table, a pool table, the frog game, and other stuff that clients can use as long as they want without asking for permission. And we assume the costs of losing any of that equipment. The idea is that each customer feels like being at home.

**María:** about your three offered products, the ones you mentioned before. Please talk to me more about those products

**Vianney:** the idea is that if you come to Colombia, to Bogotá and you don't know what to do in the country, we can give you options, like travelling tours that can last from one day up to two weeks or more. Since we have an agreement with Colombia Adventure, we can offer those services very easily. We can also show you options regarding extreme sports outside the city or about playing "tejo". The idea is to show you about the Colombian culture.

**María:** and what is the product that brings higher revenue?

**Vianney:** accommodation.

**María:** this is a supposition: if the Chamber of Commerce offers you a gift of \$100 million pesos to invest exclusively in marketing, what would be the items you choose?

**Vianney:** on internet, on our web page. We want to have a super professional web page with an application made for reservations that would be really easy for our customers to use. Also we would go for having more presence in Google, to be always ranked in the top position of the list. That would be very useful for us. And also to promote us in local tourist guides, as well in a French tourist guide.

**María:** and what about advertisement in the media like TV or radio?

**Vianney:** that would be a further step, but first of all, the most important thing is to appear in the tourist guides, the international books, and on internet.

**María:** and what is the plan for the next year?

**Vianney:** for the next year we want to open two more hostels in Colombia in two different cities.

**María:** and what is your plan for the future?

**Vianney:** in the long run the plan is to be present in all of Latin America and in the rest of the world. [He smiles] To become an international chain of hostels.

**María:** well thank you very much Vianney, it was a pleasure to be with you at this interview.

**Vianney:** thank you.

**María:** and thank you for your collaboration. I wish you good luck

**Vianney:** Good! Thank you!