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Opinions

Positioning: Bringing brand equity to the bank

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Positioning defines the unique value your brand delivers to customers—and every business decision can contribute to or take away from your brand's equity. A "brand equity bank account" can help fortify your brand and lead to business growth.

By Karen McSteen

The proliferation of hotel brands and the boom in hotel development have made a clearly defined market position more important than ever. Your positioning defines the value your brand delivers customers and demonstrates how your brand addresses a customer need or want better than competitors. When you solve for that want or need, a bond is created between your brand and your customers, driving loyalty and fueling business growth.

Many businesses think of positioning as a short-term marketing exercise. Instead, positioning should be thought of as a long-term business decision-making tool that is deeply embedded into every part of the business model. Positioning should be the filter through which all decisions are made. This includes decisions around capital investments, product and service delivery, talent acquisition and sales and marketing strategies.

Banking brand equity

Staying true to positioning builds equity for the brand. Most business decisions in some way contribute to or take away brand equity, just like a bank account. And as with any bank account, there are deposits and withdrawals.

Say for instance a certain brand is positioned as family friendly. The brand identified an open opportunity to target families with children, particularly children under 12. The brand then defined four non-negotiable elements that bring the positioning to life—these are the "reasons to believe" the brand truly is family friendly:

- At least half of all guestrooms must be double queens.
- Hotel services must include one hour of "parent time out" every day where kids are treated to a parentless activity and a daily surprise from housekeeping, such as a package of gummy bears for each child.
- Cleanliness is king—guestroom flooring, bedspreads and bathrooms must be immaculate.
- All employees must LOVE kids, be crazy creative and demonstrate an enthusiastic spirit.

Each of these elements is a brand deposit. When consistently delivered, these deposits accumulate and emotionally bond guests to the hotel and to the brand.

Don't rob the bank

On the flipside, withdrawals chip away from what the brand stands for. They dilute loyalty and push customers to consider competitors.

Let's again consider our family-friendly hotel brand. If a property needs to cut costs, it may decide to eliminate the gummy bears or limit "parent time out" to only certain days. Imagine McDonald's only offering Happy Meals a few days a week!

These business decisions dip directly into the brand equity bank account.

What if instead, the property replaced the gummy bears with housekeeping drawing a fun message on the bathroom mirror? It would still be a daily surprise. Or what if for one of the "parent time out" days the property had small groups of kids shadow key employees for an hour?

These moves would meet the business objective of reducing costs, but still stay true to the positioning.

These are just two examples, but the concept can play out with all types of decisions. For instance, what alternatives could be considered if a potential acquisition doesn't have enough double queen rooms? Or instead of shampooing carpet between every stay, what type of material could be used for guestroom flooring that can meet the "mom test" for cleanliness but is easier to maintain?

Minding the bank
Ideally, all decisions should be creating brand deposits—but that isn’t always the case. So how can brands keep decision-makers from withdrawing equity from the brand, or at the very least, mitigate or neutralize the damage on an ongoing basis?

Thinking with a mindset of deposits and withdrawals is a straightforward way to get people to stop and take the brand into account before making a decision. Here are three steps to consider:

- Clearly define and communicate the brand strategy including the target audience, the brand positioning and the elements that bring the positioning to life. The strategy must be communicated to all teams that impact the brand—at property and above property levels.
- When faced with a decision, have the team leader ask their team members (and even others outside the team) to individually evaluate the issue on a scale of 0 to 5 using the brand strategy as their criteria—5 being a full deposit to brand equity and 0 being a full withdrawal.
- The group should then discuss each individual’s evaluation to understand their reasoning for scoring the way they did. The true value in this process is the collaboration and discussion. This is where debate, creative ideas, innovative solutions and problem-solving happens. The process ensures transparency and requires the group to pause to consider a decision thoroughly before pulling the trigger. And importantly, the group sees protecting the brand as a priority.

Keep growing
What happens when you have more withdrawals than deposits in your personal bank account? It works the same for your brand. The more deposits you have in your bank account, the stronger the brand and the more storms you can weather amid industry volatility.

Think about two business decisions you recently made. Were they deposits or withdrawals to your brand?

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