# IDEAS & TRENDS

## Change v. Experience: Dilemma Facing Presidential Candidates and Hoteliers

HOTEL ONLINE

By David M. Brudney, ISHC, January 2008

With the mortgage meltdown, a troubled economy and the presidential candidate primaries dominating the news this month, it was a profound comment made by good-natured and well-liked New Mexico Governor Bill Richardson that caught my attention.

Remember Richardson? Who could forget? He was the mostly ignored candidate during one of the early contentious Democratic Primary televised debates who quipped, "I've witnessed more civility in hostage negotiations".

Appearing on an interview with CNN's Wolf Blitzer shortly after dropping out of the race, Richardson lamented that the country seems to be crying out for change, and that previous experience was not as important now as new, fresh faces heralding change.

### The Governor's remark resonates well within the hotel industry today

The former U.S. Ambassador to the U.N., Secretary of Dept. of Energy, and 14-year representative of New Mexico in the House said that he alone was the most experienced of all the candidates in either party, but that it became clear to him that Americans seemed to value "change" more than "experience" this time around.

Richardson could have been talking about our hotel industry as well where experience has been upstaged by change - - from new lifestyle, hip and environmentally-friendly hotels to state-of-the-art technology. New sophisticated CRM software programs enable us to identify, track and interact with our guests, before, during and after their visits.

Plenty of changes can be found in our hotel sales and marketing operations. My consulting practice enables me to interact with sales departments across the country where I find an ever-increasing reliance on technology based selling. Sadly, I find also a near total disregard and disrespect for most of the relationship based selling skills and experience acquired from pre-Internet days.

Experience is a hard teacher because she gives the test first, the lessons afterward

#### - Vernon Sanders Law

Here's a glimpse of what can be found in a typical sales and marketing operation:

**Leadership.** Directors of sales and marketing reaching that position well before their time. Learning a craft and "paying one's dues" are no longer important or required.

**Response time.** Phone calls and other inquiries (RFPs, RFQs) are not being responded to quickly enough. New technology notwithstanding, response time has not improved since 9/11. In fact, the problem has simply become more acute.

**Technology rules.** There's almost a false sense that all good leads and prospect inquiries will come direct through the unit level's website. Technology based selling has become mainstream. Sales associates are now joined at the hip with their computers, much more comfortable e-mailing and text messaging instead of telephone and outside personal sales calls. Experience acquired from pre-Internet days no longer of any discernable value. A mindset prevails where in if the information needed is not immediately available on the Internet, it is not relevant.

Web 2.0: the social media tsunami. There's a rush to get on the new social media and social network bandwagon (blogs, wikis, folksonomies, etc.). A priority: hotel sales and marketing leadership's strategy for "managing" user generated contact and to become heavily interactive within this new media.

### Professional selling skills from pre-Internet times

Here are just a few samples of time-honored relationship based selling skills:

- Qualifying prospects quickly
- Disarming a qualified prospect (with a hidden agenda or chip on the shoulder)
- Overcoming objections
- Always be closing
- "If they (prospects) come for your price, they will leave for someone else's (Harry Beckwith)
- Selling up
- Leveraging strong client relationships
- Developing testimonials and a strong referral base
- Building relationships one customer at a time: customer share v. market share (Don Peppers & Martha Rogers)
- Prospecting
- Power hours (most optimum time for telephone sales)

Technology based and relationship based selling need not be polarized. - - they can and very much should be compatible and complementary. If we neglect or even discard the lessons learned from years of relationship based selling - - due to our new focus on technology based selling in the name of "change" - - we risk losing that expertise, that era, for good. The hotel industry needs to find a balance between change and experience.

How and when will that experience become critical? If the industry is headed into some tough times as some pundits are predicting, hotel operators will need all the sales and

marketing experience guidance and counsel there is. Before the end of 2008 we could be experiencing serious declines in both occupancy and average rate.

My concern is that our unit level sales teams may not be able to respond to the challenge. Will this new generation of sales professionals have the wherewithal to compete in a market share stealing business climate where no definite business is safe? Will these new sales professionals be able to tap into those critical relationship based selling tools to gain advantage during renewed guerrilla warfare?

Will the new breed, motivated by "change", be able to benefit from the experience of those who came before? Will they have the necessary experience and training? Will the guidance and mentoring be there?

#### With all this change, let's not throw the baby out with the bath water

One of the most valuable lessons I learned in college was that the only thing constant in life is change. Change is good. But with this change, do we need to abandon the lessons we have learned through experience? Let's not throw the baby out with the bath water.

I'm reminded of the great line delivered by Jack Nicholson in the film "Two Jakes". As Nicholson's character is getting a physical beating one of the two bad guys says, "You know what your trouble is, Jake? You want to live in the past." Jake replied, "I don't want to live in the past. I just don't want to forget it."

I have experienced seven downward business cycles in my forty-plus year career. Each time I have personally witnessed the value of "having been there, done that." Paul Harvey said it best, "In times like these, it's helpful to remember that there have been times like these."

### We have a rich history of reacting well to sales and marketing challenges

We have a rich history of reacting well to sales and marketing challenges that needs to be honored and passed down to today's and future generations. No country in the world can match the skills U.S. hotel sales professionals have developed over the past 75 years of filling empty rooms and optimizing revenues.

In order to preserve some of these classic examples, here are a few snapshots from my hotel sales and marketing scrapbook of 40 plus years:

#### <u>The '70s</u>

**Gas Rationing.** Hoteliers back in the '70s recall the long lines at the gas pumps and the eventual rationing and how resorts within short driving distances ran very successful promotions offering complimentary full tanks of gas upon departure.

**Nixon's Price Freeze.** President Nixon's price freeze of the '70s triggered Hyatt's launch of the club floor concept where guests would pay up to \$20 more a night to experience a concierge hosted private floor with a morning paper, continental breakfast, p.m. appetizers and an honor bar.

#### <u>The '60s</u>

**Sig Front's Las Vegas travel agent week.** Hoteliers of the '60s will never forget sales and marketing hall of famer Sig Front's revolutionary idea for promoting Las Vegas during their historically slow business dates. He invited bona fide travel agents all over the world to come to Las Vegas as guests of the then Del Webb's Sahara Hotel during "International Travel Agent" week in early to mid-December - - comp rooms, huge response and it became an annual event.

**Chris White's Open Forum.** Another hotel sales and marketing superstar, Fairmont Hotels' top sales guy Chris White, was looking for a way to put Fairmont's new hotel in Dallas on the map. His brainchild was to host the first-of-its-kind "Open Forum" in Dallas that would draw national meeting and event planners and decision makers together with hotel and travel suppliers to exchange ideas and improve communication. This event took place long before the creation of MPI, at a time in our industry's history when ASAE and PCMA and LIMRA put on the only major events where hoteliers could attend - - but only as exhibitors and very limited participants. When "Open Forum" ended there were few meeting & event decision makers who didn't know about the Dallas Fairmont.

**Bud Grice's lunch delivery to the astronauts' wives.** Marriott's sales and marketing legend Bud Grice dispatched two Marriott vans loaded with lunch and goodies to the home where the astronauts' wives were gathered watching - - along with the millions around the world - - TV coverage of one of the early space craft reentry and landing. TV remote crews, hoping to capture the wives' reaction had set up on the front lawn and sidewalk, caught the Marriott vans arrival. One of the reporters, hungry for anything human interest newsworthy, stuck a mike in Grice's face as he stepped out of the van and asked why Marriott was there. Bud replied, "We thought the families might be getting hungry and so we are bringing them some food." The global TV exposure was priceless.

Today's hotel sales professionals need to be accomplished in both technology based and relationship based selling skills. There's a time when a situation calls for e-mail or text messaging. There's a time, too, when teleconferencing or webinars are appropriate. But there is also a time when a telephone call or a personal outside sales call are required. Good sales professionals are comfortable with both technology based and relationship based selling skills.

The key is to know when, where and how. Think in terms of a good golfer. He/she has a bag full of various clubs. The better golfers know which club to use, where and when. Good sales professionals need to know when, where and how to use their selling tools in their own "golf bag" or tool box.

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