

SEVEN NEW YEAR'S RESOLUTIONS FOR 2007

Resolving To Improve Hospitality Marketing

By John S. Fareed, CHME, ISHC

In the next week or so, people all over the world will begin compiling their New Year's resolutions. Traditionally these resolutions are about self-improvement and include promises to exercise more, eat healthier, lose weight, stop smoking, cut back on alcohol, and spend more time with family and friends.

This list however, is focused on marketing resolutions for the hospitality industry. New Year's is the perfect time to reflect on the changes we want or need to make to improve as an industry, and to resolve to follow through on these changes.

Resolution number one: Go on a serious brand diet – put an end to the gluttony, stop confusing consumers, and focus on building true brand differentiation. Our insatiable appetite for new brands must come to an end. The total number of hotel brands has nearly doubled in the last ten years and their value, in terms of brand loyalty and the premium consumers are willing to pay, continues to decline. With the addition of every new brand, we add to the confusion and commoditization of the hotel industry, making marketing efforts all the more difficult. The luxury hotel segment will soon be a textbook example of over branding e.g. too many choices, too little differentiation. Imagine for a moment that you are a so-called 'affluent traveler', who must choose between Ritz-

Carlton, Four Seasons, St. Regis, Peninsula, Mandarin Oriental, One&Only, Rosewood, Fairmont, Waldorf-Astoria, et al. Not to mention the coming Crillon, Solis, Starck, and Armani brands. Where is it all going? The majority of consumers today, find it difficult to tell the difference between two well-established luxury brands such as Ritz-Carlton and Four Seasons. How are they going to deal with twenty, thirty or more? Ultimately, consumers will be left to choose their hotel or resort based upon rate, location, or recommendations from friends or colleagues – not the brand. Branding is supposed to be about positioning, establishing an image that differentiates, and keeping promises. Somewhere along the way, we have forgotten this.

Resolution number two: When developing packages, focus on being authentic, organic and realistic. While we still need to be creative, it is important that we maintain our integrity, deliver on expectations, and keep our brand promises. The concept of designing packages strictly for the press appeal has become passé. Both travel writers and consumers have grown weary of hoteliers promoting packages and amenities that are designed to be either very short lived or not truly available in order to gain publicity. Examples include the six-figure getaway that includes a lifetime membership to a nearby golf club; the twenty-thousand dollar Hollywood Fantasy weekend which includes an afternoon with a celebrity stylist or personal trainer, a celebrity poker tournament, screening of a yet-to-be-released movie, and VIP access to a Hollywood gala; and the outrageously expensive stay that includes a celebrity chef, use of a private plane, and an S-Class Mercedes Benz as a take home amenity. While on the topic of packages, we

must also resolve ourselves to the fact that 'buy four nights, get the fifth night free' deals are not packages. They are pricing schemes.

Resolution number three: Treat every guest as if they will be writing a testimonial upon check out. One that will be delivered globally and will most likely remain on the World Wide Web forever. Remember the old adage that if a customer has a good experience they will tell three people, but if they have a bad one, they will tell ten? Now this same customer can tell thousands of people with a few keystrokes. Word-of-mouth has gone electric, and in order to compete, hoteliers need to understand that they are no longer selling to individuals but to networks. Today's customers are more likely to act upon the opinions of total strangers, on sources they deem trustworthy such as Expedia, TripAdvisor, TravelPost, and other consumer generated media sources, than they are to marketing hype. We must build marketing programs around champions who will create positive buzz throughout these electronic networks. This will most likely involve offering incentives to customers who take the time to share their positive experiences via electronic word-of-mouth. But as always, it will most certainly include providing excellent customer service, unique one-of-a-kind experiences, and good value for dollar.

Resolution number four: Identify every customer touch point and continually strive to ensure that they are positive 'personal' experiences. Customer service experts refer to the points of contact between a hotel and its customers as touch points. Every instance when guests come into contact with our employees is a touch point. We need to make

the most of every call to reservations, front desk experience, e-mail correspondence, and other touch points. Hoteliers need to stop thinking electronic kiosks are the answer because we either don't want or don't know how to hire adequate, well-trained, enthusiastic staff. Hoteliers must also understand that computerized, 'dial one for this, dial two for that' phone systems don't win over hearts and minds either. Let's resolve to keep it personal.

Resolution number five: We must step away from mass marketing, decide who we're going to win over as long-term loyalists, and begin to develop micro-marketing programs that are designed to build closer relationships with them as customers. Everyone's idea of home is different, and your hotel or resort is no different. It simply won't appeal to everyone. To be successful, we must learn to identify the markets that will most appreciate our product, and craft and launch targeted campaigns, 'narrowcasting' instead of 'broadcasting', to make the most of our marketing efforts. With the advances of the Internet, the explosion of cable channels and the never-ending offerings from specialty magazine publishers, this exercise is becoming easier and more affordable than ever. However, it takes commitment, research, planning and creativity to do so successfully. Markets will continue to fragment. Those who understand that mass marketing is dead, and learn how to develop and manage micro-marketing campaigns will lead the industry.

Resolution number six: Measure of die! We must resolve to develop planned measurement programs that encompass all of our marketing initiatives. On the whole, the hospitality industry has yet to resolve John Wanamaker's century-old dilemma – "I know half my advertising is wasted, I just don't know which half", but the time has come. It's no secret that waste and inefficiency in hospitality marketing has traditionally been significant, but now there are no excuses. All the tools necessary to answer Wannamaker's age-old problem are here today, if we will take the time to use them. We have dedicated toll free numbers, URL's and e-mail addresses; the ability to measure Web traffic and click throughs; sophisticated online reservation systems; and traditional tools such as business reply cards, press clipping services and even our own reservationists. It's time that every one of our marketing vehicles is assigned a measurement tool. Otherwise, how can we quantify and qualify what we're doing? How do we determine cost per lead, cost per sale or capture promotional program performance? Without measurement, there is no ROI. With a planned measurement program we can enjoy the benefit of knowing the ongoing effectiveness of our efforts, have the ability to reallocate dollars to vehicles that are working, thereby spending less while achieving greater results. This ultimately leads to a real competitive advantage. Let's resolve as an industry to implement planned marketing measurement programs this year.

Resolution number seven: Resolve to be bold, think creatively, and begin to offer our guests truly unique experiences. Like the airline industry, the vast majority of us are still

treating our properties as commodities. We've rounded the edges, smoothed out the differentiating features, and made our products and services so bland, that it's difficult to tell one hotel or resort from the next. It's time that we, as hoteliers, realize that consumers are buying an experience, not just a room. Everyone wants some pampering, a bit of adventure, and something that is simply unique. Let's resolve to stop being a commodity, and begin to cultivate an environment that encourages the boldest, most creative, even 'theatrical' ideas in order to differentiate.

It is my sincere hope that something among this list of resolutions has sparked enough interest so that you've begun a conversation. Keep the idea alive and the conversation going. I'd love to know where it takes you. As always, your comments and suggestions are welcome. You may reach me at jfareed@fareedandzapala.com. Happy New Year!

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