

“Keep Your Friends Close and Your Enemies Closer” Know Your Hotel Competition: Lesson #4

By David M. Brudney, ISHC, January 2007

(This is the fourth in a series of articles on the new generation of hospitality Sales professionals. The previous three articles addressed “You Can’t Microwave Experience”, the need to “Pack Your Own ‘Chute” and “Selling Time Balance”).

Had Don Vito Corleone been a hospitality Sales professional, you could be certain he would have kept a very close eye on his primary competition - - who are their clients, what are they planning and where are they vulnerable?

Today’s hospitality Sales pro doesn’t need to be a “Godfather”, but nonetheless must know the competition very well because his/her success might depend on that.

Hospitality competitors today - - those handfuls of properties that show up on our STR Comp Sets - - **are** the “enemy” because we are at war with them every day fighting over the same customers. But competitors are also allies with whom relationships need to be cultivated.

Far too many hospitality Sales pros don’t know as much as they need to about their competition. They do not spend the time to learn who or what they are selling against.

How Competition Knowledge can be of Value

Confidence. Everyone Sells better with confidence. Knowledge of the competition’s strengths and weaknesses, knowledge of how the competition Sells against your property will give you confidence. Applying that knowledge every day in relevant Selling situations will help give you the confidence you need to be successful. You’ll work smarter and be better equipped to “go to war” against the competition.

Prospects value knowledge. “Knowledge sharing” is a hot button amongst meeting planners today. When planners realize that you know more about the competitive hotel under consideration than they do, you’ve become more credible, you’ve connected and you’ve taken a big step toward establishing a relationship. You’re no longer “Selling”,

you are now “collaborating.” From that point forward, whatever observations, opinions or advice you share will be taken seriously. They will *know* that you “know”.

Alliances formed. The really good Sales pros not only know their competitors well, but they have mutually beneficial professional relationships already established. Those relationships become critical when your hotel needs a good hotel “neighbor”.

- ❑ Overflow, co-headquartering opportunities
- ❑ Joint proposals, promotional costs shared
- ❑ Need for a room nearby on sold out nights
- ❑ Guest “walks”
- ❑ Equipment, supplies “loaned” at critical times
- ❑ Shared labor pool, employee housing/transportation

Keeping the business “in the neighborhood”. There will be times - - for established competitor relationships only - - when your competitor cannot accommodate a good client’s group and will refer the business to you despite corporate pressure to “keep it in the brand” because the competitor knows the client does not want a different location.

And who knows, given 21st Century work force dynamics, today’s competitor might very well be tomorrow’s co-worker, boss or perhaps even client?

Example of Competition Knowledge at Work

To help illustrate the importance of competition knowledge for Sales pros today, I offer the following hypothetical exchange between a prospective client (“**PC**”) and a hotel Sales manager (“**SM**”). The prospect has narrowed the final choice between the SM’s hotel (the “**Grand**”) and one of the friendly neighborhood competitors (the “**Plaza**”):

PC: “We’re leaning now towards the Plaza (competitive neighbor).”

SM: “That’s a fine hotel and would be a good choice. Tell me, what meeting rooms have you blocked for your important 3 simultaneous breakouts for 75 people schoolroom?”

PC: “Ah, I think they blocked the Maple, Cedar and Redwood rooms.”

SM: “Really? I know those rooms. Their good meeting rooms, but I thought it was important that the 3 breakouts be in the same area? As I recall, at the Plaza, the Maple, Cedar and Redwood are not side-by-side and the Maple is on a different level altogether.”

PC: “Yes, you’re correct. That’s the best they had available for us on those dates.”

SM: “Well, how about if we take a look at our Roosevelt, Lincoln and Washington rooms? All three are located in the same common area on our conference level floor.

We could take a virtual tour of the space right here on my computer now or, if you have time, we could have those rooms set up for us, 75 people schoolroom and we can see how it looks?”

PC: “That’s great. The virtual tour will do just fine. And we still have a tentative hold on that space - - and others?”

SM: “Of course.”

The skilled Sales manager has a perfect opening now to “close” the deal because time was spent learning about the competition (we’ll cover “closing” in Lesson # 7 to follow).

Key Competition Knowledge

Every hotel and resort Sales department should conduct an annual SWOT test on each of its primary competitors:

- ❑ Strengths – real and perceived?
- ❑ Weaknesses – real and perceived? Vulnerabilities?
- ❑ Opportunities – available for your property to penetrate, take market share
- ❑ Threats – competition poses to your hotel

Why are these properties primary competition?

- ❑ Primary appeal - - by market segment
- ❑ Business lost in the past - - why?
- ❑ Sales team rating
- ❑ Most loyal clients - - and why?
- ❑ Location, overall operation comparisons
- ❑ Meeting and banquet facilities strengths and weaknesses
- ❑ Strategies used to sell against my property
- ❑ Rate integrity
- ❑ Brand (if applicable) strengths, weaknesses, support

What Led Me to Study the Competition

When I was first starting out in hotel Sales - - yes, back in the days before the Internet, Faxes and cell phones - - I was having such a hard time finding business that, primarily out of desperation, I began to spend a lot of time visiting my primary competition.

I was curious to learn what groups were meeting at my competitors and when I found them, I became even more curious as to why they chose the competition over my hotel.

I did not have the benefit back then of sophisticated reader board services nor the money to pay someone to do it for me, so I took the time to stop by each competitor and read the reader boards all by myself. I worried about the embarrassment of getting “caught” so I

developed a system where after three quick passes I had the entire reader board committed to memory.

Thanks to a terrific reference book (“Contacts Influential”) I was able to find full contact information on most of the companies that were meeting at the competition. That proved to be a breakthrough for me as that valuable information helped me get my first bookings.

Soon I began calling decision makers the week after they had completed a meeting at the competitor to ask how the meeting turned out. My timing was perfect. Many of these decision makers took the opportunity to tell me of their disappointments. Relationships formed and to my delight, my hotel was now being considered for future meetings.

So, here’s the message: know your competition well and you will be better prepared to compete successfully for the best business available. Your competitors are your enemy, but also your neighbors. Do what’s necessary to cultivate established relationships.

Healthy competition is good and, Don Vito Corleone notwithstanding, it can be fun.

What’s next? Sales Lesson #5 will explore **site inspections**.

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