

Differentiating Your Hotel from the Competition

By Stanton D Jacobs, CHA, President of Hospitality Performance Systems, Inc.



Image provided by hotelogix.com

The COVID pandemic leveled the playing field in terms of your hotel's competitive advantages. Your customer's needs and priorities have changed, and the key selling propositions that set you apart from the competition no longer have as much value. Your sales team must now work harder to differentiate their hotel from its primary and secondary competitors. Communicating that the hotel is compliant with local and brand COVID pandemic safety standards, will not suffice. Individual travelers, (corporate and leisure) are nervous about travel and concerned with their health and safety. Group meeting planners are under tremendous pressure to select the right venue at the right time, and with the right contractual terms. To overcome these concerns, it will be imperative that each sales professional be able to effectively differentiate the hotel from various perspectives and establish customer confidence and trust.



Differentiating Your Hotel from the Competition

Differentiating the hotel through the value proposition begins with going back to sales basics. Your sales team should have a clear understanding of what their hotel's key value assets are and tie them in with the hotel's unique selling features. Most sales professional have a developed "War Chest" of features and benefits for quick reference during the sales process. They apply them based upon the customers direct wants and needs.

To compete in the current and post COVID market, your team must understand that their customers' needs have changed. Upgraded health and safety protocols should be outlined and social distancing diagrams should be prepared. Additionally, the sales team should promote the hotel's strong relationships with nearby attractions. If the hotel's location is close to a key, market demand generator, this attribute should be referenced during your sales efforts. Examples of such demand drivers could include museums, local zoo, entertainment and sports venues, and retail shopping facilities. If these locations have the potential to create more business for your hotel, it is imperative that your sales team be completely familiar with the safety and health processes that these locations have in place, such as restricted hours and limits on occupancy. Your customer will appreciate this information and it will communicate a stronger sense of partnership. People do business with people once. But partners look for ways to expand and strengthen their relationship.

Differentiating the hotel from a health and safety perspective should be a given top priority moving forward. If the hotel is affiliated with a brand, always piggyback on the added precautions the brand has implemented that distinguishes them from other hotels. For example, the Hilton's *CleanStay* program, IHG's *Clean Promise* program and Marriott's *Cleanliness Council* program, to name a few. These same brands then paired the following COVID related programs related to groups and conventions, such as Hilton's *EventReady* program, IHG's *Meeting with Confidence* program, and Marriott's *Connect with Confidence*.

Some brands and hotel management groups have created a certification process within in their portfolio. Sharing brand awards and certifications communicate commitment. Additionally, if the hotel's local community has also established method of certifying COVID compliance, this

Differentiating Your Hotel from the Competition

too is another strong selling feature. If either or both scenarios exist, and the hotel can obtain something in writing confirming its compliance, having this documentation for each sales manager would be extremely valuable.

And most notably, it is always amazing to see the creativity some hotels have shared during times of adversity. If your hotel has demonstrated creativity in terms of implementing additional services or processes that would assure added guest safety, add it to the “War Chest”.

Differentiating the hotel with less restrictive performance standards can create frustrating issues for management as they navigate for the highest possible yield.

- Most hotels with group business first experienced abrupt cancellations in March and April of 2020. Initially caught off guard, many hotels offered to waive the cancellation terms if the group was rebooked within a reasonable timeframe.
- When that reasonable timeframe extended to 12 months or more, hotels adapted one of two philosophies. Some enforced the terms and conditions of their group contracts, which often created a hostile and tainted relationship with their clients. Others agreed to further modify and / or waive the cancellation and attrition clauses from their contracts to maintain some semblance of a relationship for future business. Clearly, the latter choice places these hotels in great financial risk for the future.
- Fear of travel related to the COVID pandemic has challenged meeting planners in how to accurately forecast attendance for their group functions. In turn, they are hesitant to commit to any form of attrition in their contracts. They also learned from experiencing the COVID pandemic that they need more flexibility in terms of cancellation and rebooking options to minimize their liability.
- This new sales environment will require every hotel to take the following actions:
 - Continually monitor what the other hotels in the local market are offering.

Differentiating Your Hotel from the Competition

- Keep abreast of how the hotel industry globally is coping with these same concerns.
- Consult with your hotel management and owners and seek legal revisions to how the cancellation and attrition clauses in the standardized group booking contracts. This may include added language that allows for both clauses to remain with an added progressive performance timeline, as well as language for a less restrictive deposit schedule. The key is that legally, these agreements need to find a compromise that will reduce the financial liability to both parties.

In terms of differentiating your hotel from its competitors, in most cases, the hotel will not have to offer better terms, but at least match what its competitors are offering. This situation will be particularly sensitive when the hotel is participating in large citywide blocks with other hotels.

In summary, we reviewed some of the ways a hotel can differentiate itself from its competitors in the current and post COVID market. It will be critical that your sales team beef up the hotel's "War Chest" of unique selling features and stand out as the best choice for its customer's needs. These customers are seeking a hotel that exceeds basic health and safety requirements and has demonstrated an added commitment to be the best in class against a broader competitive set.

About Hospitality Performance Systems, Inc. (HPS)

Hospitality Performance Systems (HPS) was created to provide operational and sales support to the hospitality industry globally. Founded in 2009 this enterprise takes advantage of its founder and President, Stanton D Jacobs, CHA, with over 30 years of proven success in the hospitality industry and strategic relationships globally, HPS is affiliated with a wide array of professionals specializing in their respective disciplines, enabling HPS to provide a broad range of services. <https://www.hps-strategic.com> <https://www.linkedin.com/in/stantonjacobs/>