

# Hotels should be different to avoid loss of revenue

**W**hat makes one hotel vulnerable to another? Why would a traveler substitute your hotel for another hotel? What makes a hotel a competitor?

**It's SAMENESS!** Another hotel is your competitor if it...

- targets and gets business from the *same* customer segments.
- gets business from the *same* top accounts.
- has the *same* set of competitors you have.
- gets customers from the *same* geographical feeder markets.
- is located near the *same* lodging demand generators and attractions.
- is the *same* in product type and product quality.
- offers the *same* services and delivers the *same* service quality.
- charges the *same* price for *same* value delivered.

Boring, boring SAMENESS, that's what makes a competitor. Real or imagined sameness. Customers that perceive your hotel as being the same as all the rest will substitute your hotel for another. Put me inside a hotel room or lobby and I am hard-pressed to tell you the brand. Even with all the new limited-service, suite and extended-stay brands, the average traveler can't tell one from another.

Customer perceptions of sameness in hotels can lead to unnecessary competition. Unnecessary competition leads to impact. Every hotel is different in some way. Every hotel has unique strengths and weaknesses. But every hotel doesn't single-out those differences and communicate them effectively. Customers may not perceive those differences when selecting a hotel. So superior hotels lose business to inferior hotels and compete unnecessarily --- due to perceived SAMENESS!

When doing a hotel impact study, I am constantly facing sameness.

Assessing the impact of one hotel upon another is basically analyzing what's the same and what's different. I determine the degree of sameness among the two hotels on each impact factor. The more both hotels are the same, the more they compete with each other, and therefore, the more they impact each other. In fact, I give the two hotels a similarity rating from 1 to 100 on each impact factor:

- Location Proximity, Access & Visibility
- Product Quality
- Service Quality
- Demand Generators
- Customer Segments
- Top Accounts
- Geographical Feeder Areas
- Room Rates
- Marketing Approach
- Competitor Set

Not all impact factors are equally important. So I assign a weight of relative importance to each impact factor. I do this by allocating 100 points among the 10 impact factors. Similarity times importance applied to the business at risk equals impact.

To reduce perceived sameness, hotel owners, managers and marketers need to *communicate differences and advantages to their potential customers* --- so customers can choose the right hotel based on what's important to them. To reduce impact, a hotel has to be different!

## What's your claim to fame?

Hertz is the world's largest car rental company. Coke is the world's largest soft drink company. Being number one in size can be held by only one company. So you have to be number one in some other way:

Mercedes - World's Best Engineered Car; Ritz Carlton - USA's Highest Quality Hotel Company; Hyatt Hotels - Most Used by Business Travelers; Super 8 - Cleanest Rooms in the Economy Lodging Segment; Motel 6 - Lowest Price of Any National Chain.

## Look for ways to be different!

Point out these differences to potential customers. Here's a list of questions to help you identify your competitive advantages and create your claim to fame:

### People Differences

Competence. Whose employees have the highest skills and knowledge? Courtesy. Whose employees are most respectful and friendly? Credibility. Whose employees are most trustworthy? Reliability. Whose employees perform consistently well over time? Responsiveness. Who responds the quickest to customer requests? Communication. Whose employees make the biggest effort to understand their customers?

### Service Differences

Delivery. Who delivers the best service with speed, accuracy and care? Value. Who best rewards their volume customers? Adjustments. Who is most willing to resolve customer conflicts with fairness? Support. Who is most willing to teach groups organizers about meeting planning and reservations? Alliances. Which hotel gets the best support from suppliers?

Take a look also at product and image differences you have compared with your competitors!

When you can tell people your claim to fame, you won't have to worry so much about some new hotel impacting your business.

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