

**Designing and implementing a
successful, all-round marketing
strategy in today's competitive climate**

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28 November 2011

Industry characteristics

- Sold business-to-business and business-to-consumer
- Often the buyer is not the ultimate consumer
- Disposable product
- Lack of homogenous brands
- An experience
- A major purchase – often more than ‘the weekly shopping’
- Goods and services usually consumed on the premises – but committed to off the premises, sometimes long in advance
- Capital intensive
- Jobs can’t be exported

Long termism v Short termism!

- Hoteliers' investment and return is long term
- The business needs to be developed via a series of relatively short term actions – but these have to be effective over the long term
- Thus the following are important to consider for the longevity of the business:
 - investment/upkeep of the business
 - building customer loyalty
 - referrals
 - reputation – online, local and in key target markets

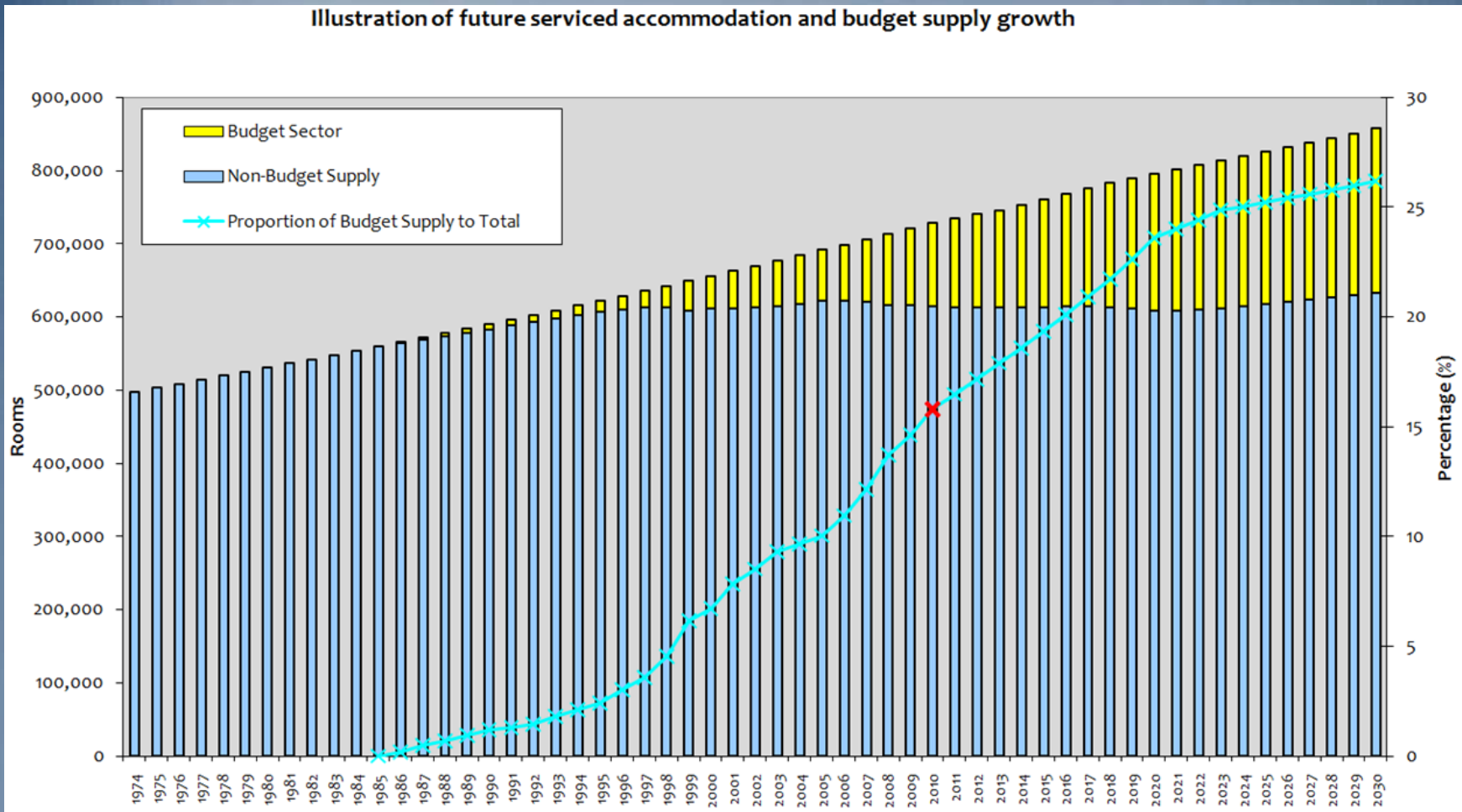
Industry becoming more branded

- More brands and more branded – but not the end of the independent
- Supply growth currently constrained, except in London and in the branded budget sector, but consider and research your own area
- If you think that branded budget hotels are a passing fad that influences pricing in your area, think again!
- Instead think of the value for money proposition to your customers
- There is an ongoing need to consider how the target market will be reached, in the different market segments you may wish to attract

Branding in the UK hotel industry (end-2010)

	31.12.2010
Overall (rooms)	728,681
Full-Service	101,987
Mid-Market	71,899
Budget	115,196
Independent	391,056
Consortia	48,543
Ratios	%
Full-Service	14.0
Mid-Market	9.9
Budget	15.8
Total Corporate Branded	39.7
Consortia	6.6
Total Independent	53.7

Illustration of future UK hotel supply growth



Source: Melvin Gold Consulting analysis / estimates

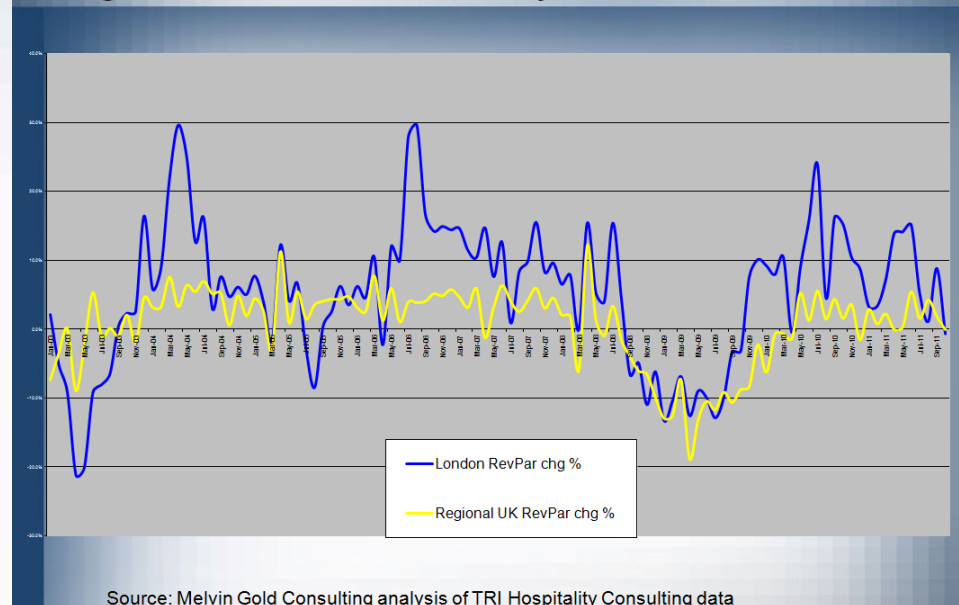
Be aware of competitive market

- When did you last visit your competitors?
- When did you last experience the services at your competitors?
- How do you get feedback on what others think of your business?
- You can consider the online reviews of your competitors – what do customers like about them, or dislike?
- How does your business compare?

Benchmarking

- Vital to have a basis of comparison as to how the market is doing, and how you are doing against the market
- STR & TRI Hospitality are the leading organisations active in the UK
- Some high level data usually in the public domain free of charge
- Tourist boards often also have data

Comparison of RevPar % change at London and Regional UK hotels monthly since Jan 2003



Segmentation

- Of your product areas/offer
 - Rooms, F&B, C&B, Weddings etc
- Of your target clientele
 - Corporate, Leisure, Conference, Weddings
- Perhaps sub-segmented
 - Midweek, weekends, bank holidays, breakfast, lunch, dinner etc
- Perhaps by source of booking
 - Internet (own site, third party), telephone, contract, agent, generated by a promotion etc

The influence of online

- Shorter booking lead times
- Quicker to reach customers
- Ability to focus on weak periods
- Blurring of traditional market segments
- Easier for customers to compare offers
- Ability for customers to understand the experiences of others
- Increased transparency – of customer thoughts, of pricing, of competitors etc

What's your SWOT?

Strengths

Weaknesses

Opportunities

Threats

- What are they?
- How have they changed in the past 5 years?
- If you don't think they've changed then you haven't been honest!

What tools will you use?

Online

- Own Website
- Third party websites
- Direct E-mail
- Use review websites
- Competitor Reviews
- Social Networks and Media

Offline

- Mailshots
- Brochures
- Travel Agents
- Booking Agents
- Visit Competitors
- The competitive environment
- Sales calls and direct contact
- Vouchers, promotions and loyalty schemes
- Telephone and response
- In-house questionnaires
- Show rounds

- PR/News
- Post-visit Contact



Questions

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