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The Specialist: Coming Soon To Your Local Hotel

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The Specialist: Coming Soon To Your Local Hotel

Abstract

In an article entitled - The Specialist: Coming Soon To Your Local Hotel - by Stan Bromley, Regional Vice President and General Manager, Four Seasons Cliff Hotel, San Francisco, the author's introduction states: "An experienced hotelier discusses the importance of the delivery of a high "quality-to-value" ratio consistently to guests, particularly as the hotel market becomes specialized and a distinction is drawn between a "property" and a "hotel."

The author's primary intention is to make you, the reader, aware of changes in the hospitality/hotel marketplace. From the embryo to the contemporary, the hotel market has consistently evolved; this includes but is not limited to mission statement, marketing, management, facilities, and all the tangibles and intangibles of the total hotel experience.

"Although we are knocking ourselves out trying to be everything to everyone, I don't think hotel consumers are as interested in "mixing and matching" as they were in the past," Bromley says. "Today's hotel guest is looking for "specialized care," and is increasingly skeptical of our industry-wide hotel ads and promises of greatness."

As an example Bromley makes an analogy using retail outlets such as Macy's, Saks, and Sears, which cater to their own unique market segment. Hotels now follow the same outline, he allows.

"In my view, two key factors will make a hotel a success," advises Bromley. "First, know your specialty and market to that segment. Second, make sure you consistently offer a high quality-to-value ratio. That means every day."

To emphasize that second point, Bromley offers this bolstering thought, "The second factor that will make or break your business is your ability to deliver a high "quality/value" ratio-and to do so consistently." The author evidently considers quality-to-value ratio to be an important element.

Bromley emphasizes the importance of convention and trade show business to the hotel industry. That business element cannot be over-estimated in his opinion.

This doesn't mean an operator who can accommodate that type of business should exclude other client opportunities outside the target market. It does mean, however, these secondary opportunities should only be addressed after pursuing the primary target strategy. After all, the largest profit margin lies in the center of the target.

To amplify the above statement, and in reference to his own experience, Bromley says, "Being in the luxury end of the business I, on the other hand, need to uncover and book individuals and small corporate meetings more than convention or association business."

Keywords

Stan Bromley, The Specialist: Coming Soon To Your Local Hotel, Marketing, Quality-to-value ratio

The Specialist: Coming Soon To Your Local Hotel

by
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An experienced hotelier discusses the importance of the delivery of a high "quality-to-value" ratio consistently to guests, particularly as the hotel market becomes specialized and a distinction is drawn between a "property" and a "hotel."

Remember when hotels were boring places that catered to individual travelers and a few conventioners? While that might seem too long ago, you do probably recollect when hotels started becoming interesting, exciting architectural environments. They started catering to a wide spectrum of guests, and the traveling public enjoyed the excitement of this new hotel experience. Festive conventioners with multi-colored badges sharing hotel space in restaurants, bars, and bubble elevators with the business person and the Beverly Hills/Fifth Avenue elite—the glorious days of packed atriums, ballrooms, and restaurants brought together everyone in festive harmony.

But how about today? Is it still the same? The next time you fly, glance at the inflight magazine. You can get a quick look-see at where we are today by paying close attention to the hotel ads. There you will find the greatest concentration of these glorious testimonials to ourselves...and you will start seeing something even more important: These ads reflect our industry's self-perception!

As I skim through these ads in order to evaluate who we say we are, I am impressed that our industry goes from "exciting" to "I have real hangers in my closet—so why shouldn't you?" We can be "spaciously large" or "comfortably serene"—we specialize in women or men—in business or pleasure—in groups or individuals. We convey both activity and privacy. We have fresh or fresh-frozen (but never unhealthy). We can serve fish or spaghetti for one or 1,000...and we can do it in color or black and white, too!!!

Sure...I'm a bit sarcastic in my perception of who and what we say we are. Although we are knocking ourselves out trying to be everything to everyone, I don't think hotel consumers are as interested in "mixing and matching" as they were in the past. Today's hotel guest is looking for "specialized care," and is increasingly skeptical of our industry-wide hotel ads and promises of greatness.

During the next few years there will be a great deal of consumer shifting, at the end of which the market will be segmented into convention/group hotels, small corporate meetings and individual service hotels, and economical limited-service bed and breakfast or suite hotels. The retail shopping industry offers a good example of this form of specialization: Macy's, Saks, and Sears all sell to different customers. Each hotel group will therefore need to concentrate on selling to its primary market segment because each guest will be looking for specialized care.

How will we advertise specialization? And is it enough to be only one or two things to the customer instead of 10? Although the answer to these questions lies in corporate board rooms and on Madison Avenue, there is one thing I am quite certain of: We must be more responsible about what we say we are in our ads! Today's hotel guest, who is increasingly skeptical of our lavish promises, will not come back if we don't deliver.

So where does that leave us? In my view, two key factors will make a hotel a success. First, know your specialty and market to that segment. Second, make sure you consistently offer a high quality-to-value ratio. That means every day.

Conventions Are Important To Industry

You don't have to be a hotel genius to recognize the importance of the convention and trade show business to our industry. The meeting/group segment is what drives the hotel world. So if you have a meeting/group hotel, you must network yourself to attack that market in order to meet your profit goals.

There is a person who best exemplifies this and who I worked with in Hyatt. He is probably personally responsible for 25 percent of all Hyatt's business at the Embarcadero Hyatt Regency in San Francisco. Over the years he has used his experience and contacts to create a network of association and corporate executives who trust him when he says, "trust me!" I learned a lot from Peter Goldman and use much of what makes him successful to help myself build business at the Four Seasons Clift. Peter has developed a following of meeting planners who know and trust him. He will make sure that they, as meeting planners, look good and that their meeting is well executed. He calls on his friends in Washington, New York, Chicago, or wherever they are on a regular basis and shakes their hand and doesn't take more than five minutes to let them know that he wants and needs their business. It's as easy and as difficult as that.

Being in the luxury end of the business I, on the other hand, need to uncover and book individuals and small corporate meetings more than convention or association business. This does not mean that I should not also pursue weekend or incentive business—but those market segments should not be marketed first and foremost.

As an example, I make it a point to meet and greet individual guests who represent business opportunities. A business opportunity is defined as an opportunity to meet a guest staying at the Clift who appreciates and enjoys the hotel and service and who will make it a point to return

or to speak highly of us to a friend, relative, or business associate. It is again both as simple and as difficult as that! Simple from the point of view that the guest is right there for me to capture and to ask to refer us to acquaintances. The difficulty is from the point of view that in dealing with individual guests (as opposed to group arrivals), I need thousands of referrals to be successful. It is actually no easier or more difficult than building a medical or legal practice. Since coming to the Clift three years ago, the sales department and I have collectively networked over 500 new contacts who have supported and helped us raise our occupancy level to 70 percent and increase our average rate by 30 percent.

The second factor that will make or break your business is your ability to deliver a high "quality/value" ratio—and to do so consistently. Don't let the word quality confuse you. Quality and luxury are not necessarily synonymous! On weekends my kids and I have a real quality experience at Wendy's for \$8.85. It is certainly not luxurious. The key word is "value," because for \$8.85 it is definitely "*worth it.*" I can stay in a Embassy Suite and have a quality experience for a good price. If I have that same level of product and service experience in a Four Seasons Hotel for the price we charge, the experience has no value and therefore is *not worth it*, and I will go somewhere else.

On the other hand, hotel managers sometimes give too much product and service for the price we are charging—and it shows up as negative results in our P&L's. This is a much more difficult barometer to evaluate because the signals of success or failure are often not obvious until it's too late.

Guests Require Quality/Value

Delivering a high "quality/value" ratio consistently to your guests is as important as getting them to the door. You can't have one without the other. If the market becomes as specialized as I have predicted, there will be a clear distinction between a "property" and a "hotel," and between a "customer" and a "guest." "Hotel guests" will be much more selective and demanding than "property customers" and they will expect to pay more...and to get more! You don't have to do too much research to observe this "quality/value" relationship taking place in the industry today. Look at the giants: Hyatt, Marriott, Holiday Inn. All have or are developing three quality/value choices ranging from their original motels to their Crowne Plazas, Regencys, or Marquis.

It is clear that only the hotels who produce what they say they can on a consistent basis will remain profitable and will survive. It will not be enough simply to have the sales people get guests in the door. One achieves this product consistency through the hotel culture and the values of the person or company for which one works.

Those of us who work for hotel companies need to fit the mold and execute our trade according to the companies values and work ethics. I am fortunate to have worked for three of the best and in all situations my career growth and values were compatible with that place and time. Presently I practice this quality/value ratio by running a Five Star/Five Diamond hotel that is not inexpensive. I am constantly afraid that something will go wrong and that we will not live up to the standards

expected by our guests and Four Seasons. To make sure we do, all of us—management and employees alike—try to think like guests and put ourselves on the receiving end of the service we deliver. This is better explained by describing what two industry leaders taught me while I was fortunate to work with them. Jim Nassikas taught me the value of “monumentally magnificent trivialities” and Pat Foley proved to me that “there is less fear from competition than from inside discourtesy, inefficiency and poor service.” Thus, the rule is to make sure you give a quality/value ratio every day.

All hotels clearly believe that they are producing the product they advertise. This belief is probably the greatest weakness in the industry today. In our business, because “the perception of reality is the reality,” the question is presented: Whose perception should we focus upon to determine the reality? Should it be the perception of the hotel or of the company’s management? Or should it be the guests’ perception of the service and cleanliness they experience...or should it be from the line employee’s view of how management treats them and how they treat the guest?

Now think back to those hotel ads in the airline book. Were those glamorous and colorful testimonials representative of your most recent perception and guest experience having stayed in those hotels...or the employee experience having worked in those hotels? If so, the company and its leadership is on track. If not, maybe those hotels and those companies should consider sitting back and looking at their corporate culture and their value systems. Everyone needs to take stock of where he or she stands. Because if that consistency is not really there, chances are that the profit picture will also not be there, and as the market continues to segment, those who have not identified their niche, and those who are not able to deal with a much more experienced and demanding guest, will certainly regret their failure to do some self-analysis while there was still time to make a mid-course correction.