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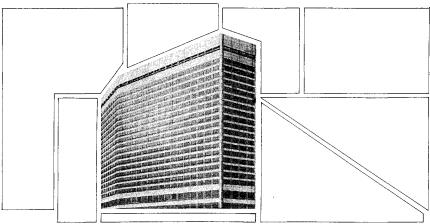
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Positioning Statement for Hotels

It is fairly simple to create an image for a hotel—but images may be good or bad, persuasive or not persuasive. Does <u>your</u> positioning statement include the three elements required for effective marketing?

by Robert C. Lewis, University of Massachusetts

ALTHOUGH the concept of positioning has been widely accepted in a range of industries, by most appearances it has largely escaped the attention of hotel marketers. Whereas positioning relates to a property's subjective attributes (and how they differ from competitive properties' subjective attributes), hotel advertising has traditionally emphasized such objective product characteristics as number of rooms, prices, facilities, and amenities—characteristics in which competing facilities are generally quite similar.

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The concept of positioning in a marketing strategy calls for the creation of an image—the consumer's perception of the subjective attributes of the property vis-à-vis those of the competition. This perception may be radically different from the property's physical characteristics. The distinction between the perception and the reality is especially important for hotel marketers.

The Purchase Decision for Services

A hotel's offerings comprise a bundle of goods and services ranging from tangible to intangible. Because the lion's share of the hotel product—services—is at the intangible end of the continuum, it is often difficult to determine which attributes are most important in the consumer's purchase decision. Indeed, the intangibility of services makes the decision difficult for the consumer: he cannot taste, touch, feel, see, or

try a service before making the decision; in fact, he "consumes" the service at the same time it is produced. Moreover, because every hotel property offers a heterogeneous range of services, the consumer's risk in the purchase decision is high. Finally, because service offerings are easily duplicated, the consumer cannot always draw clear distinctions among competitive offerings.2 Thus, while a consumer can objectively measure, compare, and evaluate tangible products, and can actually consume them, he can measure and compare intangible services only subjectively; he finds it difficult to assign a monetary value to a service, and can consume it only passively. Services are critical to the consumer's per-

¹It can be useful to think of these goods and services as lying along a bipolar construct of tangible dominant and intangible dominant offerings. See: G. Lynn Shostack, "Breaking Free from Product Marketing," *Journal of Marketing*, 41 (April 1977), pp. 73–80.

²For a more substantive treatment of these and other unique aspects of services, see: John M. Rathmell, *Marketing in the Service Sector* (Cambridge: Winthrop, 1974).

Hotel marketers should not forget that any positioning statement must be directed to the needs and wants of the consumer.

ception of a hotel property, however, and generally have a longterm cognitive and affectual impact on that perception; the impact of tangible products is generally short-term.

Hotel marketers who recognize the influence of intangible attributes on consumers' decisionmaking often react by advertising the abstract: the ineffable ("escape to the ultimate"); the euphoric ("surround yourself with luxury"); the euphuistic ("capture the spirit"); the ephemeral ("make any occasion special"); and the antithetical ("get away to it all"). The problem with such an approach is that the consumer will not buy a service, no matter what its intangible attributes are, until a certain minimum threshold of tangible attributes has been reached. In fact, a halo effect is possible: the existence of certain tangible characteristics is assumed to signify that a certain level of quality (an abstraction) also exists. Recognizing this, many goods-producing companies imbue their recognized tangible goods with abstract qualities in their advertising. For example, Charles Revson of Revlon Cosmetics reportedly said, "In the factory, we make cosmetics; in the store, we sell hope"—and this strategy is still apparent in Revlon advertising.

It is difficult to employ a similar strategy in hotel advertising because hotel products have a high degree of sameness and hotel services are abstract. To emphasize the concrete in advertising is to fail to differentiate oneself from one's competitors, while to compound the abstraction is to dilute the reality one wishes to represent. Thus, hotel marketers should focus on enhancing and differentiating a property's abstract realities through the manipulation of tangible clues: "The degree to which the marketer will focus on

either tangible evidence or intangible abstractions for [positioning an entity to its target market] will be found to be 'inversely related to the entity dominance.'" Compare, for example, the intangibility of Merrill Lynch services to the tangibility of its bull strolling through a china shop.

The Most Common Failing

Hotel marketers who have adopted positioning strategies sometimes fail to incorporate one basic marketing concept into otherwise good positions: they forget that any positioning statement must be directed to the needs and wants of the consumer. Many who have written about marketing strategies also make this mistake. Stating that positioning is the first of three steps in cultivating an image for a restaurant operation, Sill suggested establishing "an explicit statement of the type of restaurant [management] wishes to present to patrons"4 (emphasis added). In the same vein, Tissian stated that after a hotel's management has "identified the property's competitive strengths and weaknesses, the results of this analysis are articulated in the form of a positioning statement. The positioning strategy reflects a conscious decision...to communicate to the market a definition of the property as a particular type of hotel ... this definition must be consistent with the property it describes."5 The *next* step, according to Tissian, is to select the target audiences. The concepts set forth by Sill and Tissian are essential to effective positioning and may lead one to develop a fine positioning

³Shostack, p. 78.

⁴Brian T. Sill, "Restaurant Merchandising for the Independent Operator," *The Cornell Hotel and Restaurant Administration Quarterly*, 21, No. 1 (May 1980), p. 28.

^{5&}quot;Advertising that Sells Hotels," The Cornell Hotel and Restaurant Administration Quarterly, 20, No. 4 (November 1979), p. 19.

statement. However, they may just as easily lead one to formulate a position corresponding to the image that management wishes to project or believes it projects, rather than one that differentiates the property from the competition in a manner reflecting the needs and wants of the target market.

The Three Elements

True positioning entails three elements. First—and least important—it creates an image. Why is this least important? Because images may be good or bad, persuasive or not persuasive, inspiring or uninspiring. It is relatively simple to create an image of some kind (although many hotel ads fail to do so), and images alone do not incline the consumer to buy.

The element that does influence buying behavior is the most important of the three: the perceived *benefits* of the product or service. Positioning a product or service along benefit dimensions in an attempt to reflect consumers? attitudes forms the basis of an effective strategy. Once the benefit dimensions have been defined, the marketer can isolate those target markets consisting of consumers who hold similar attitudes about a bundle of benefits as they relate to a particular hotel or hotel class.

The third essential element of the positioning statement is that it differentiates the brand from the product class—in other words, it distinguishes the hotel from other hotels, whether they are truly different or (as is quite likely) offer essentially the same products and services. To combine these elements, the positioning statement should be designed to create an image reflecting the perception of the property that management wishes its target market to hold and reflecting promises on which

the property can deliver and make good. The desired perception must be based on consumer benefits-first, on needs and wants, and second, on differences between the property and its competition. Consumers don't buy products or services; they buy expectations. Statements that both promise the consumer something and give him a reason to believe in the promise are most persuasive because they let the consumer know what he can expect and why he should stay at a particular hotel.

The three bases of persuasion set forth by Aristotle—ethos (credibility), pathos (emotional appeal), and logos (logic and reasoning)—are still the best tools we have; but first, said the philosopher, you must know your audience. The positioning statement cannot be developed until the strategy has been established, and the strategy must be based on the target market.

The Differentiation Element

One differentiates a property through the positioning statement by demonstrating the property's unique attributes to the consumer. The positioning decision is the most important factor in developing successful advertising, but "most brochures (and the properties they describe) look alike";6 few advertisements and brochures reflect any attempt at differentiation or positioning. When products or services are similar, the benefits unique to a property must provide the positioning differentiation.

Yesawich stressed this point in noting that lodging properties must become competitor-oriented The three bases of persuasion set forth by Aristotle—ethos (credibility), pathos (emotional appeal), and logos (logic and reasoning)—are still the best tools we have; but first, said the philosopher, you must know your audience.

⁶Jane Maas, "Better Brochures for the Money," The Cornell Hotel and Restaurant Administration Quarterly, 20, No. 4 (February 1980), p. 22.

to be successful in the '80s; knowing what one's guest wants is of little value if five of one's competitors are already serving his needs.7 Identifying a property's unique attributes or benefits means not only knowing its strong points but also locating the weak points in the positions of competitors. Ideally, of course, the hotel marketer could discover an unoccupied position in which his offering could generate new business or lure customers away from competitors.

The task of the hotel marketer is to develop the desired consumer perception of the property's benefits as opposed to those of the competition-keeping in mind that the consumer seeks tangible clues to distinguish among the benefits of intangible services offered by competing properties. Research and self-examination should indicate how one property can be set apart from others, what its unique advantages are, and what positions remain to be filled.

A few hotels have developed positioning statements that differentiate them from the competition and that offer unique benefits. Some examples:

- · "A beautifully orchestrated idea in hotels" (positioning a property in which every room is a suite)
- · "Soars 46 stories over Central Park" (for a property featuring panoramic views not usually found in New York City)
- "We think that vacation costs are outrageous" (for a unique, inexpensive vacation experience)
- · "There is an alternative to high-priced hotels" (directed toward the value-conscious business traveler: all the stan-

⁷Peter Yesawich, "Marketing in the 1980s," The Cornell Hotel and Restaurant Administration Quarterly, 20, No. 4 (February 1980), p. 38.



Unique benefits differentiate

dard hotel amenities are mentioned, so the traveler can be sure that the low price does not signify low quality).

More often, however, hotel positioning statements fail to differentiate and to offer unique benefits. Consider the following:

- "The flair and style of a Hyatt. The efficiency and courtesy of a Marriott": These phrases explicitly position the competition, but fail to define the position of the property they pertain to.
- · "The golden opportunity for the 80s": This approach is used by a chain that competes head-on with other "goldenopportunity" chains.
- "We have room": This phrase simply announces an expansion that makes this hotel the largest in the state.
- "We're the difference": This statement is weak because it is not accompanied by supporting evidence; the hotel looks like hundreds of others.

Low price doesn't mean low quality



There is an alternative to high-priced hotels.

What do you, a value conscious professional traveler, want in a hotel? We think the answer is fairly simple: clean, comfortation of the control of the clean confortation of the clean control of the clean count on the clean count of the clean

price—up to 25% lower than comparable accommodations in most care.

comparable accommodations in most cases. Value minded business travelers think La Quinta because La Quinta thinks business travelers. It's that simple. So, if you're a sales manager trying to hold the line on travel expenses or a representative expenses or a representative process of the contravel of the contra

growing.
For a free directory, write
La Quinta, Dept. B, 4100
McEwen, Suite 283, Dallas,
Texas 75234.

Texas 75234.
Toll free reservations
800-531-5900
800-292-5200 From Texas



The Benefit Element

The benefits themselves are the real reason the consumer comes to a hotel. They are the image and they are the elements that differentiate a hotel from its competition. Benefits come in bundles, and it is the entire group of benefits offered that positions a hotel in relation to its particular target market. Benefits vary in the extent to which they are assigned importance by consumers, and their relative importance varies with different service levels.8 Positioning the benefits means marketing the correct expectation because, in the final analysis, it is the expectation that hotels have to sell to the selected target market.

The first problem is to determine the key characteristic of the various benefit segments (groups of consumers who attach similar importance to a bundle of benefits). Such procedures as conjoint analysis, multi-dimensional scaling, and discriminant analysis can be applied for this purpose,9 but it is also possible to adapt some older, simpler concepts with a consumer-behavior application to services and hotels. Let us begin by considering the utility model developed by Lovelock to explain purchase behavior as it relates to services. Lovelock suggested that a consumer evaluates a service on the basis of its form utility, place utility, time utility, psychic utility,

and *monetary* utility.¹⁰ This model allows the marketer to classify benefits from a consumer's viewpoint, identifying the positive utilities to be emphasized and the negative utilities to be minimized. By applying the tools of the behavioral sciences to create an image and using tangible clues to support that image, the marketer can translate the utilities (which are intangible) into realities that define the property to various target markets.

Lovelock's model is useful in understanding how consumers evaluate services, and can be made even more useful if combined with the following modified marketing mix for hospitality operations, proposed by Renaghan:

- (1) The Product-Service Mix: The combination of products and services, whether free or for sale, employed to satisfy the needs of the target market.
- (2) The Presentation Mix: All components directed by the firm and used to increase the tangibility of the product-service mix in the perception of the target market at the right place and the right time.
- (3) The Communications Mix: All communications between the firm and the target market that increase the tangibility of the product-service mix, that influence consumer expectations, or that persuade consumers to purchase.¹¹

Lovelock's utility model and Renaghan's hospitality mix can be combined in a benefit matrix that helps the marketer understand Consumers don't buy products or services; they buy expectations.

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⁸Robert C. Lewis, "Benefit Segmentation for Restaurant Advertising that Works," *The Cornell Hotel and Restaurant Administration Quarterly*, 21, No. 3 (November 1980), pp. 6–12.

⁹For application of these techniques in segmentation and positioning, see: Paul Green, Yoram Wind, and Arun Jain, "Benefit Bundle Analysis," *Journal of Advertising Research*, 12 (April 1972), pp. 31–36 (conjoint measurement); Yoram Wind and Patrick J. Robinson, "Product Positioning: An Application of Multi-Dimensional Scaling," in *Attitude Research in Transition*, ed. Russell I. Haley (Chicago: American Marketing Association, 1972); Lewis, op. cit., pp. 6–12 (discriminant analysis); and Yoram Wind, "A New Procedure for Concept Evaluation," *Journal of Marketing*, 37 (October 1973), pp. 2–11.

¹⁰Christopher H. Lovelock, "Theoretical Contribution from Service and Nonbusiness Marketing," in Conceptual and Theoretical Developments in Marketing, Proceedings Series, ed. O. C. Ferrell et al. (Chicago: American Marketing Association, 1979), pp. 147–165.

[&]quot;Leo M. Renaghan, "A New Marketing Mix for the Hospitality Industry," paper presented at the National Conference of the Council of Hotel, Restaurant, and Institutional Education, August 13–16. 1980, Dearborn, MI.

the key characteristics of various benefit segments. The hotel marketer can complete the matrix simply by noting the property's benefits, management's capabilities, and the market's perception of the property and its offerings. (Exhibit 1 shows abstracts of some listings such a matrix might contain.) If a similar matrix is prepared to describe the competition's offerings, the marketer can perform an aggregated (nonsegmented) positioning analysis. Even without a sophisticated knowledge of his target markets, the marketer is prepared from his own perceptions to develop the positioning statement, including the identification of the desired image, competitive differentiation, and consumer benefits. If target markets are identified, the marketer can also apply such techniques as conjoint analysis and discriminant analysis to evaluate the properties by benefit segment and determine the primary characteristics of the benefit segments. The benefit matrix can be used to identify the tangible clues that make the intangible benefits credible to the desired target markets.

The Positioning Statement

Communications used in the marketing effort should be both consistent and customized to fit the needs of individual target markets. Rather than attempt to crowd all information about every

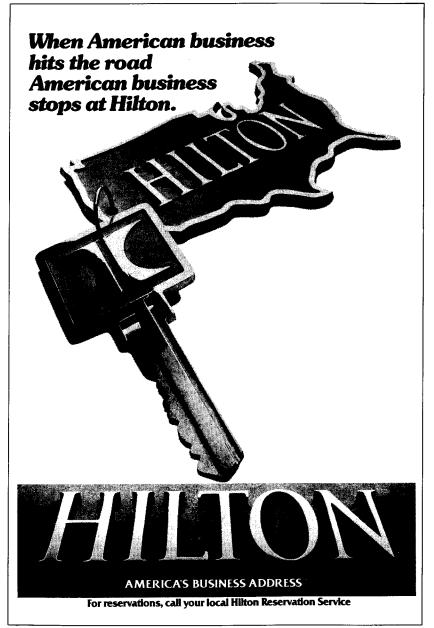
service into one campaign, the marketer should promote each service to its own target market, featuring the positioning statement in some form in every component of the campaign. This approach allows the hotel to implant its main services in the mind of the consumer, while giving each service its own image to, say, the businessman, the meeting planner, the travel agent, and the pleasure traveler.

The positioning statement is a unifying element: all subpositionings are promoted under one umbrella. Applied with this flexibility and consistency, the positioning statement creates an *image* that personalizes the operation; the customer who is buying an

EXHIBIT 1 Hotel benefit matrix

Utility	(1) Product-Service	(2) Presentation	(3) Communications
FORM	Food, room, pool, beach, lounge, room service, bed; performance	Physical plant (interior and exterior), employees, tangible presentations	Product-service; tangible attachments, tangible aspects of use and performance
PLACE	Convenience, ease of use, ease of buying, facilities, reservations	Location; nearby attractions such as business, shopping, arts; availability	Where available, where can be used, use- and performance- related aspects
TIME	Convenient times; when needed, wanted, or desired	Pleasant use of time, time- saving, service level, seasonal aspects	When available, when can be used, use- and performance- related aspects
PSYCHIC	Good feeling, social approval, prestige, reassurance, personal service, satisfaction, rest and relaxation	"Atmospherics": light, sound, space, smell; accoutrements	Tangible attachments to intangibles, dissonance reduction, nature of guests, prestige address, satisfied guests
MONETARY	Cost, fair value, save money, how much	Price-value relation, easy payment, psychological effect, quality	Value perception, quality connotation, risk reduction

Based on Lovelock's utility model for services and Renaghan's marketing mix for hospitality operations



in the marketing effort should be both consistent and customized to fit the needs of individual target markets.

Communications used

The market is identified—but not the benefits

abstract service is reassured. It differentiates from the competition; the customer knows why he is choosing one hotel over another. It promises benefits; the customer is promised that his needs and wants will be fulfilled. Finally, positioning supports these elements with clues of tangible offerings that the consumer can observe with his five senses, indicating to him there is substance behind the promises.

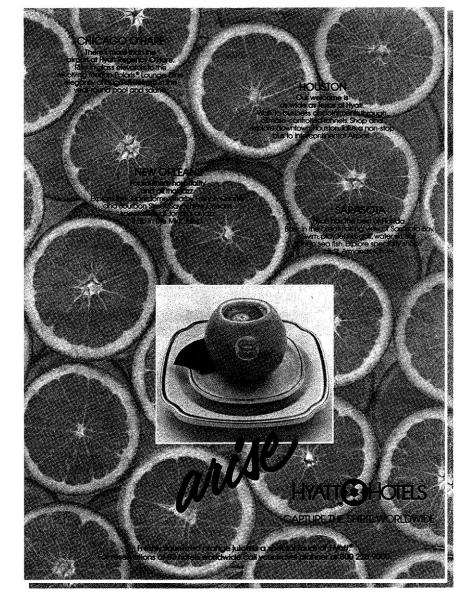
The advertisements that accompany this article all incorporate positioning statements—some good, some less good. The positioning statement in the advertisement that appears above is very specific: "America's Business Address." This statement clearly identifies the target market as business travelers, but it fails to provide an image, to indicate benefits, and to differentiate the properties advertised from the

competition; there are no tangible clues to support the intangible contention.

The statement "Capture the Spirit Worldwide" (below) creates an image that is tenuous, nebulous, and intangible. It contains no reference to tangible benefits that differentiate these hotels from competing properties, relying instead on abstractions. According to Hyatt, the target market comprises present users who already have the "spirit," but this positioning is not clear in the advertise-

ment, and the advertisement's approach ignores a vast potential market. In short, although the ad is one of an attractive series in an attention-getting campaign, it lacks a positioning statement that would commit it to the consumer's long-term memory.

In contrast, Marriott's advertisement incorporates all of the important elements of positioning: it is clearly directed to the businessman, creates an image, differentiates the benefits by place and time, provides tangible clues





Attention-getting but tenuous



The 45-story Chicago Marriott stands just about where it ought to be – right in the middle of things.

The right hotel is never hard to find

The Marriott Hotel people have built their reputation on doing things right.

And one of the things they do most consistently right is to be, somehow, in just the right <u>location</u> for the business you want to conduct, in any given city.

In New York, for instance, Marriott's Essex House is right on Central Park. In Chicago? Right on Michigan Avenue (photo)—and also at O'Hare International Airport. In Kansas City, Cleveland, Miami, L.A. and Rochester, also conveniently right near the airport. In Philadelphia? Right at the edge of the Main Line.

Some cities already have <u>several</u> Marriotts.

Atlanta, four. Houston, three. <u>Five</u> in Washington, D.C. And new Marriotts are blooming worldwide. Marriott can now do it right for you in Saudi Arabia, Kuwait, Holland. Even right on the beach in <u>resorts</u> like Acapulco, Barbados, Santa Barbara, and Marco Island.

To reserve at a Marriott where you're headed, call a professional, your travel agent. Or dial toll-free 800-228-9290.

WHEN MARRIOTT DOES IT,
THEY DO IT RIGHT.*

Marriott Hotels.



An extremely clear image

Hotel marketers should enhance and differentiate a property's abstract realities through the manipulation of tangible clues.



Named after . . .

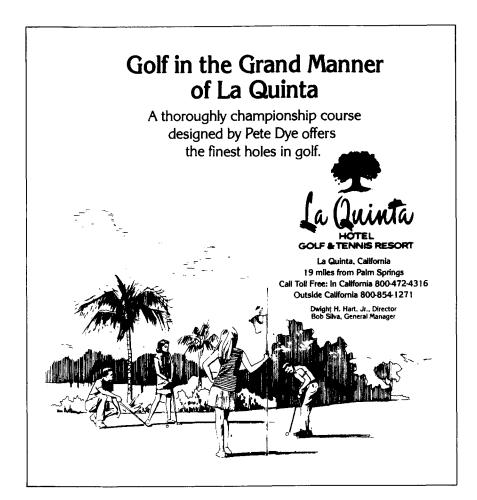
the great Armagnac District of France -home of Armagnac, the world's finest brandy,
truffles, foie gras, roquefort cheese and
D'Artagnan, Captain of the Three Musketeers.

in its presentation and communication (see columns 2 and 3 in the benefit matrix), and supports these elements graphically so that the consumer can *believe* "The right hotel is never hard to find."

The Stanford Court's advertisement is another outstanding example of positioning. The image is extremely clear; the differentiation and the utilities (form, place, time, and psychic) are presented clearly and communicated with strong, tangible benefit clues; all elements are integrated; and the target market is identified in a single positioning statement: "For people who understand the subtle differences."

Smaller, lesser-known properties can be positioned just as well as large hotels and chain properties. The L'Armagnac ad at left identifies a target market, creates an image, and differentiates the property it advertises in terms of the benefit matrix. Note particularly the positioning statement "An uncommon inn," and the tangible clues that support it.

In the two La Quinta ads, we see one effective approach and one approach that falls short. Both ads appeared in *The Wall*



The positioning statement distinguishes the hotel from other hotels, whether they are truly different or (as is quite likely) offer essentially the same products and services.

Street Journal. The ad at right identifies the target market and

differentiates the property; the other positions La Quinta only as one of many golf resorts, failing to state a differential advantage.

Conclusion

Any hotel marketer can devise a positioning statement, and, as the concept of positioning has gained currency in the industry, many marketers have done just that. However, most hotel positioning still fails to incorporate the elements crucial to effective marketing: communicating a unique benefit image, supported by tangible clues, to a defined target market. The marketer whose positioning statement encompasses all these elements will have a marked competitive advantage in the years ahead.

Below right, differentiation; above left, no competitive advantage

Executive Conferences accomplish more in our pleasant seclusion

A new Pete Dye Championship Golf Course is now in play



GOLF & TENNIS RESORT

La Quinta, California 19 Miles from Palm Springs Call Toll Free: In California 800-472-4316 Outside California 800-854-1271

Dwight H. Hart, Jr., Direct Bob Silva, General Manage