

Marketing FF&E to the Hotel Industry

7 Rules of Engagement



Introduction

Every day, hotels spend millions of dollars across a wide variety of FF&E categories, from beds to door locks to TV programming.

But marketing and selling to the hospitality market can be challenging. There are many intricate decision dynamics at play, and things are often not what they seem. Trying to get to the right decision-maker at the right time can be challenging.

The players connected with FF&E purchase decisions are numerous — including ownership groups, management companies, design firms, purchasing companies and property-level managers. And frequently, there is a different set of considerations involved in working with each of them.

This ebook is designed to provide basic insights as to how to approach this market.



7 Rules of Engagement

Thousands of companies are in hot pursuit of a share of this market, but to achieve real success, you'll need to have a strong command of how the industry works and follow some key best practices. The seven rules of engagement below provide concepts that are important to understanding the landscape and developing long-term relationships with key decision-makers.

- 1 Tailor your message to the hotel industry.
- 2 Treat the high end and low end of the market differently.
- 3 Focus on replacement, not just construction and renovation.
- 4 Know the motivations of your buyers.
- 5 Use data to drive engagement.
- 6 Cultivate the brand parents.
- 7 Align your strategy and your sales team.

There are more than **50,000 hotel properties** in the United States, totaling some **5 million guest rooms**.¹

¹ American Hotel & Lodging Association, 2015

1 Tailor your message to the hotel industry.

While it seems obvious, a common mistake many companies make when selling to this market is using their one-size-fits-all consumer or B2B messaging. This is a unique and complex industry, and the people doing the buying have a set of concerns that are far removed from what motivates purchases by consumers or other businesses. Sure, you make quality products, but how will they help a hotel increase occupancy, lower costs or make an upcoming renovation go smoother?

If you want to make an impact in hospitality, you need to create a messaging platform that speaks to its players in a way that resonates with their concerns.

“One-size-fits-all messaging won’t work for this industry.”

Total Cost of
BrandSpec Ownership
RevPAR ADR
Guest Occupancy
Satisfaction
Online Reviews

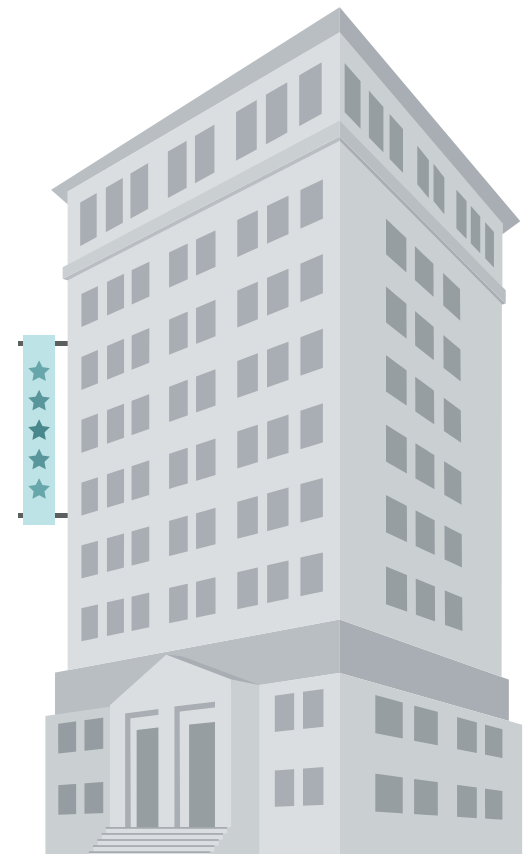
2 Treat the high end and low end of the market differently.

If your strategy is the same for the luxury and upper-upscale segments as it is for the lower end of the market, then chances are good that you are not performing as well as you could be with either group.

The decision-making dynamics change significantly as you move up and down the segment scale.

At the higher end, your messaging will often be focused on how your products or services contribute to the best possible guest experience. And while providing a quality guest experience is important to mid-scale and limited-service hotels, the messaging around price, durability, total cost of ownership, etc., will be more primary considerations. The differences might be subtle, but the nuances of your communication can make a critical difference in how well your message resonates.

Product mix and price points, of course, are going to be different for these segments as well. Not only does that mean your highest-ticket items may not sell to economy and mid-scale hotels, but it also means that you might need to present products in different contexts for these two segments. Keep in mind that while your margins may be higher as you go upscale, a sizable percentage of all unit volume is at the lower end of the market.



3 Focus on replacement, not just construction and renovation.

Construction of new hotels provides obvious opportunities for most hospitality marketers, as do major renovations. If you're marketing FF&E, these projects can be a lifeline to major sales. Tracking construction and renovation activity — and understanding how to take advantage of them — is definitely critical to success in this industry.

But you should also be looking beyond construction and renovation to understanding replacement cycles and how they can work for you. Do you know the replacement cycles for your products? Do your customers know? Are there ways to motivate property decision-makers to shorten those cycles? A modest change in the average replacement time frame — say, from eight years to seven years — can represent significant incremental revenue.

Savvy hotel industry marketers stay in touch with their customers to remind them where they are in their replacement cycle and when it's time to purchase again. When the time comes, your audience should be well-versed in the benefits of replacing or upgrading their products.

“A modest change in replacement time frame can represent significant additional revenue.”



4 Know the motivations of your buyers.

There can be many decision-makers and influencers involved in hotel purchases. While the individual players are likely to vary somewhat for different parts of the market, there are some general “personas” that can be identified.

Understanding what matters to each of them when it comes to making purchasing decisions is critical to getting their attention and helping them through their buying journey. On the next two pages, we’ve included some high-level observations about the most important groups you’ll need to connect with in this industry.

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detailed profiles that put names and faces on your target audience, clarifying and differentiating the primary concerns of key decision-makers and influencers.



Rule #4 (cont.)

Senior Management Level / Owners & Investors

Persona: Ian Investor

This group is focused on the value of their property portfolio and on ensuring that their properties meet key metrics — particularly occupancy, average daily room rate (ADR) and revenue per available room (RevPAR). These numbers are heavily driven by guest satisfaction and guest loyalty. Messaging to Ian Investor should be centered on how your products and services can help deliver against these metrics.

Guest Experience Advocates

Persona: Gail Guest Experience

This group has an even closer eye on guest satisfaction than owners and investors. If you're not speaking about how you can help meaningfully impact the quality of guest experience, you won't engage Gail Guest Experience.

When thinking about all personas — and this one in particular — you shouldn't focus too much on titles. It won't merely be directors or VPs of guest experience who fall into the Gail Guest Experience persona; it will also include, for example, most of the people you might be dealing with at a design firm.

Operations Management / Project Management

Persona: Owen Operations

You'll need to convince this audience that your solution fits their properties — literally and figuratively. Owen Operations will want to know:

- How customizable are your solutions?
- Are your products easy to install?
- Are they easy to care for and maintain?
- Do your offerings integrate well with existing systems and facilities?
- Can your company deliver on their time schedule to minimize the need for rooms to be out of service?

“Owners and investors are focused on ensuring that their properties meet key metrics.”

Rule #4 (cont.)

Purchasing / Procurement Managers

Persona: Pam Procurement

Not surprisingly, purchasing teams will be looking closely at costs. But Pam Procurement will be interested in other factors as well:

- Are your products easy to purchase?
- What is the total cost of ownership?
- What type of warranty do you provide?

You can't underestimate the impact of this audience. Even at the finest hotels, Pam Procurement will be looking for lower-cost ways to maintain quality.

What About Property-Level Managers?

Property-level managers are important but somewhat elusive figures in this mix. They may fit into any one of the categories above — they may be operations-focused, guest experience-focused or investment-focused. To some extent, their concerns will cut across all of these categories. Cost will be a factor, but they will not want to sacrifice guest experience too much either. Generally, you'll need to make a broad case to get buy-in here, but you should also be mindful of which segment of the market you're talking to. At the lower end, property-level managers may be more independent and more tightly focused on pricing. It's also worth keeping in mind that, in some cases, property-level managers may have substantial influence; in others, they may have little or no influence.

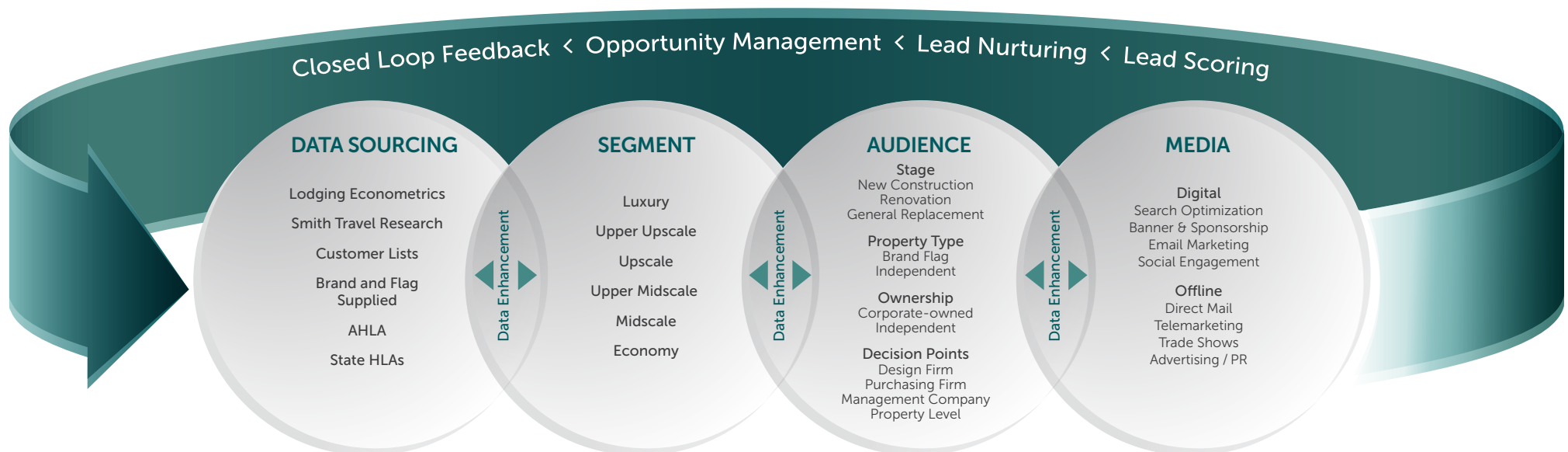
“You can't underestimate the impact of the procurement team.”

5 Use data to drive engagement.

Connecting the dots on brands, flags, ownership, decision-makers and purchase triggers is key to engaging the right person at the right time in the FF&E buying journey. Is the project in the new construction or renovation pipeline ... is there a mandate currently under way for a particular flag ... how long has it been since the product has been replaced ... and is the decision made at the management company, the property level or somewhere else? All of these are drivers that can be "mined" and used to drive initial engagement.

And beyond these macro-level relationships, what are the behaviors, digital and offline, of individuals who are actively in the buying cycle? What digital assets are they looking at, in what sequence and for how long ... have they provided additional insights into their timing and interest level ... and what are their offline activities?

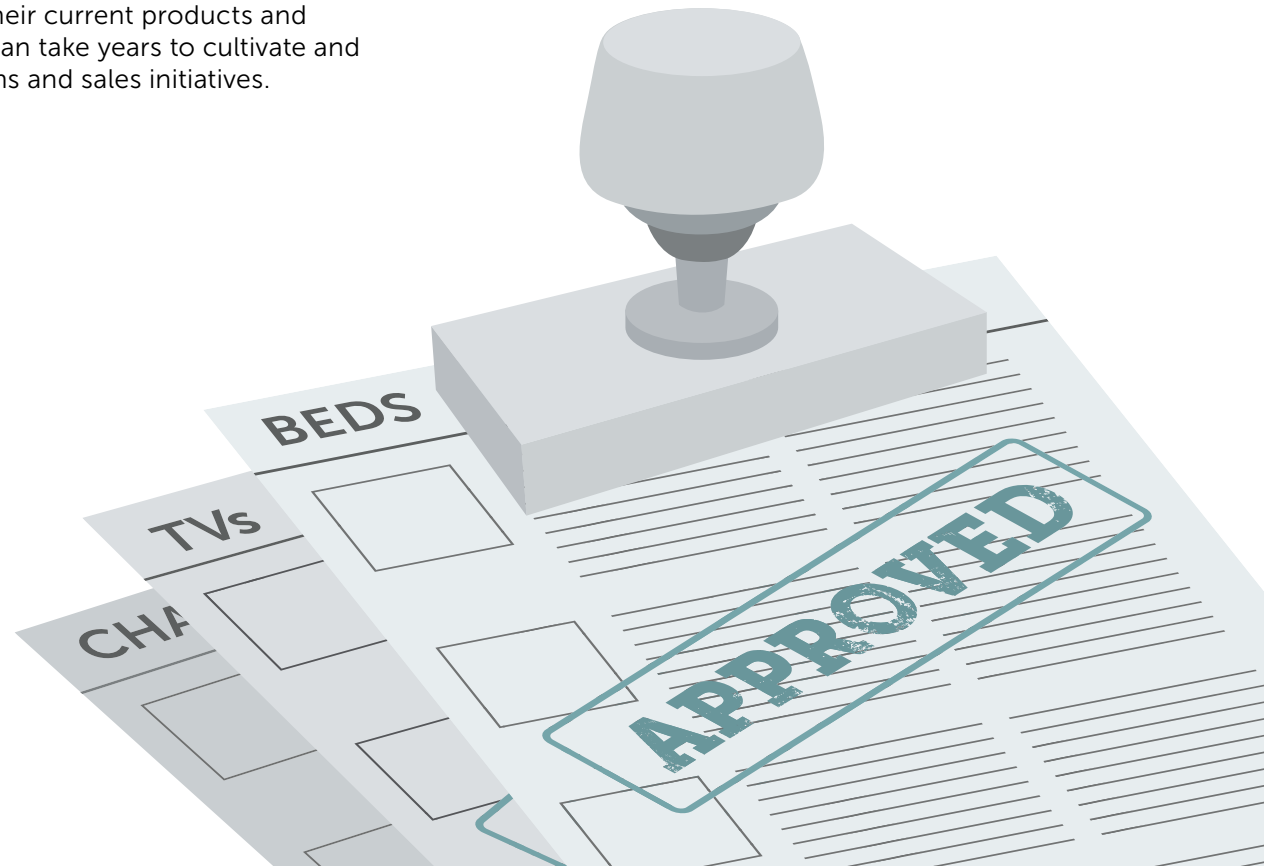
The bottom line is that data can and should help focus your efforts and drive your lead generation and sales pipeline.



6 Cultivate the brand parents.

While there is a great deal of independence among hotel ownership and ownership companies, getting listed as an approved supplier on the specification for a brand flag remains the holy grail in many FF&E product categories.

Building relationships with corporate parents, individual flags, and these decision-makers requires understanding what drives their overall strategy and determining how you can fit in. Where are they taking the brand? How will working with your company help them get there? What frustrations are their hotels having with their current products and how can you provide an alternative? These relationships can take years to cultivate and require deeply customized messaging, marketing programs and sales initiatives.



7 Align your strategy and your sales team.

Whatever strategies you deploy, you'll need to make sure they align with the motivations of your sales team. If your best niche is economy hotels, where the general manager makes most of the decisions based on price, you may find that your sales reps aren't interested in pursuing these deals because the margins are too thin, the negotiation times too long, etc. Your reps — especially if you use independent reps — will focus their time on the product lines and prospects that have the best potential to bring in commission.

There are proven ways to go after any segment of this market, but you need to be realistic about your current sales team's motivations and ensure that they align with your strategy.



Conclusion

If you want your share of this lucrative market, you need to develop a deep understanding of how the industry works, who the key decision-makers and influencers are, and what they really care about. The industry is complex, but companies that have made real commitments to engaging with the hotel ecosystem have seen their revenue increase exponentially.

There is no magic bullet to get you there. The rules listed here will help set the groundwork for a successful marketing program, but success in this industry involves deploying a comprehensive set of strategies and tactics, then executing them effectively across multiple channels.

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