

Hotel & Motel Management
Issue: June 1, 2010
The Sales Clinic
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CUTTING RATES MAY LOWER PERCEPTION OF VALUE, JUST SELL BETTER

Over the past couple of years we've heard so much about discounting rates because "the other guy" was doing it. Many sales staffers sometimes say that price is the key to our guests' decision making. Of course, that could be true in some cases, but not in all.

Many prospective buyers may want to give us the impression that price is the only critical thing with which they are concerned, but isn't that just a way to get a lower price – even if they are really satisfied with the price being quoted? Trying to buy cheaper is a natural thing to do.

In many opportunities to work with a person who plans group meetings, conferences or events, we find that most figure that "it wouldn't hurt" to negotiate a little further, to get a better rate. In most cases they find out that it does work, and the hotel sales person does arrange for something "off" the rate quoted. Could the sales person have held out for the original rate quoted by going a little further by showing the advantages and value of having the event held at the property? The chances are that the prospect would have realized the value and paid the price quoted.

What's the point? Don't give in too readily to people who push for discounted room rates. Just do a better job of selling, and find out the prospect's real needs and how you can meet those needs. Then ask yourself these important questions:

- What is the prospect's position with regard to booking with you?
- Where do you stand vs. the competition from a product and services viewpoint?
- How badly does the prospect need you?
- What do you have that the competition does not?
- How badly do you need the business—badly enough not to make money on the sale?

Find out what other objections the prospect may have with regard to using your property. Think why people want to stay with you in the first place; why have they shown interest? There must have been some thought of benefiting from booking with you. Could it be location, service, reputation, space, quality of the facility? Play up whatever the reason might have been.

To overcome this business of cutting rates (or discounting), we have to change our mind set. We have to be proud of what we have to sell. We have to believe in our product and believe that there is a great value for the price we are offering. Then we must do a better job of selling the value.

Someone once said: "There is less to fear from outside competition than from inside inefficiency, discourtesy, and bad service."

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