

## Positioning & the Art of War

A wise person once said that you can please some people all of the time and all people some of the time, but you cannot please all people all of the time.

This leads in to be the basis for one of marketing's core principles - market segmentation.

So what is the game of pricing and positioning, are both these aspects inter-related and if they are then why does a cola cost the same as the other soft bottled beverage drink? Is Cola A positioning its self as a Youth drink if yes then why is the pricing similar to Cola B which is a health drink .....are barriers of segments being broken or are marketers hungry for all they can get and more and hence positioning in terms of board room talk is FLUFF but in brass taxes, it's the number of bottles sold per day that allow business to exist and be profitable.

Starting from that principle five star hotels should then be full as they will take business at any price basis occupancy and supply / demand ratio but hey, why are they not doing so..... Is there more than meets the eye?

Welcome to the world of Market dynamics and segmentation

Mr. A the CEO (stiff upper lip) does not want to stay in the same hotel as his General Manager does, so what do we do – Make a new hotel for Mr. A's whims? Or create a separate area like a Grand Club or a Regency Club for people like him.

Or

Dealers of a TV company in Bihar have done great sales this Diwali and the company wants to host a conference in Delhi to award and pamper them and is willing to pay to organize their conference and stay at a 5 star hotel, but, these gentleman are loud, spit pan and lack finesse.....are they getting rooms in Delhi's luxury hotels.....why not .....oh they are pan chewing dealers who will dirty the hotel, be noisy and create chaos in general .....whoopsi daisies .....so where do they go.....have the money but not the profile?

Lets analyze another perspective .....Hotel A thumps his chest with pride and says we have the Highest ARR, well buddy what about RMSI (Revenue Market Share Index)? And how many rooms sold? And by the way what was the yield?

A wise luxury hotelier once said "We are gentleman serving gentleman" what he missed saying was "at a certain price"

There are no free lunches in our world today "Quality comes at a price" and positioning hence in the hoteliering business becomes a derivative of pricing, although for a select hard nosed classical few positioning still remains a derivative of quality of service and class.

A central problem in marketing is how hotel should position (reposition) and price (substitute) in order to maximize profits.

Standard assumption being that the market is composed of different customer segments of various sizes, each containing customers. Customers choose one brand only, the one that provides them with maximum value for the money.

Does this really work..... or do they look and get influenced by more, here begins the role of evaluation of marketing strategy within overall strategic planning.

Emerging positioning and marketing concepts such as visioning, Internet marketing, database marketing, relationship marketing, brand partnerships and strategic alliances, are incorporated in positioning today.

Among the external factors usually considered are the economic, social demographic, political, legal, cultural, and technological forces

## Redefining Positioning

Positioning according to certain marketing books refers to the customer's perceptions of the place a product or brand occupies in a market segment.

In some markets, a position is achieved by associating the benefits of a brand with the needs or life style of the segments. More often, positioning involves the differentiation of the company's offering from the competition by making or implying a comparison in terms of specific attributes but can these be applied in luxury hotel marketing, as all tout to having great F& B outlets , large rooms, a spa etc so what differentiates one from the other in terms of positioning? The Heritage building, architecture, service levels, personalization and price or just PRICE

Pricing is the final part of the marketing positioning mix. Pricing is not only a direct determinant of profitability, but also a powerful promotional and positioning tool. There is a difference between the price of a service and the value for money that customers perceive they are receiving. Hence positioning and the concept of value for money are also interlinked.

So the process of subdividing markets into distinct subsets of customers that behave in the same way or have similar needs allows marketers to charge a certain premium or price basis, basic needs and latent needs.

Hence the Marketing Positioning Objective will be a measurable goal of the Hotel for a target market that a hotel will attempt to achieve within a specific time period mostly one to five year.

Today positioning is redefined as the customer's price value perception of the hotel. Yet what about the Fluff and finesse? .....that I guess will always be part of the romance of true hoteliering and the magic of Gentleman serving gentleman.