

Top Hotel Brands in Brand Keys' Customer Loyalty Index

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Consumer Empowerment, Media Complexity, & Lack Of Brand Differentiation Create Vacancies In The Hotel Category

The perfect marketing storm of 2008 will be remembered as the convergence of three realities that have been building in strength for the last decade, this forecast based on the 2008 Brand Keys Customer Loyalty Engagement Index(R), from Brand Keys, Inc. (www.brandkeys.com), the New York-based brand and customer loyalty and engagement consultancy which conducts the survey.

First, there is the bionic consumer, with more connectivity and control than any point in history. Second is a media environment that has become more complex than any marketer could have imagined a mere ten years ago.

And third, is a landscape littered with brands that are undifferentiated in the mind's eye of even their own customers.

For the first time in 11 years all but 2 of the 57 categories tracked in the annual Brand Keys Loyalty Engagement Index have shown a shift in the drivers of consumer loyalty and engagement. "You know the part of the movie where the scientists are drinking coffee in the lab and suddenly a machine that never beeps starts to beep because somewhere the floor of the ocean has cracked open?" asked Robert Passikoff, Brand Keys founder and president. "Marketers had better start listening for that beep!"

This year's category rankings were as follows:

Hotel (Luxury)

1. W Hotels
2. Fairmont Hotels
3. Ritz-Carlton
4. Inter-Continental

Hotel (Upscale)

1. Hyatt/ Embassy Suites (tie)
2. Hilton
3. Swissôtel / Wyndham/ Radison (tie)
4. Sherton/ Crowne Plaza (tie)
5. Doubletree
6. Westin
7. Marriott

Hotel (Midscale)

1. Comfort Inn
2. Best Western/Hampton Inn (tie)
3. Holiday Inn/Ramada (tie)

Hotel (Economy)

1. Day's Inn
2. Travelodge /Econo-Lodge (tie)
3. Motel 6

"The fusion of consumer empowerment, media complexity, and brand genericism is about to cause tsunami-like changes to the Hotel Industry," said Passikoff. "The undeniable fact that consumers have greater and greater control over the brand messages that even enter their personal touch point zone - let alone engage them - is entirely changing the world of media and brands. No longer reliant on crafted messages through traditional channels, consumers can readily access "real" information about a product from other consumers through the Internet. Add to that a sea of brands where it's hard to tell one from the other, and you see what we're seeing now: a climactic shift in the drivers that define how consumers view categories,

compare brands, and, ultimately, buy."

Category drivers - and the category and customer attributes, benefits, they consist of - are critically important to understanding brand engagement and getting it right when dealing with today's 'bionic' consumers. "Properly configured, category drivers will tell you far more than who a consumer is - the typical demographic and attitudinal point-of-view. They tell you what you really need to know as a brand: what consumers will actually do in the real marketplace," noted Passikoff. "This matters if you're keeping score by counting your sales and profits and not merely awareness levels."

This year, with the exception of the Luxury Hotel segment, there are more 'ties' in terms of loyalty brand rankings than ever before. "The best you can say is that's a sign of category standardization, but, more likely, the curtain has been pulled back from brands, exposing products and services that have lost their 'brandness' and are turning into category placeholders," noted Passikoff.

For this year's survey, 26,000 consumers, 18 to 65 years of age and drawn from the nine US Census Regions, self-selected the categories in which they are consumers, and the brands for whom they are customers. They were interviewed by phone and face-to-face (to account for today's 15% of the population who are cell phone-only consumers).

"These are exceptionally revealing measures. At a time when most brands are struggling to differentiate from their competition and engage their customers in order to remain profitable, these rankings serve as both an opportunity and warning. It will be the brands that answer this warning with a truly consumer-centric view of their category, based on predictive loyalty metrics, that stand to gain the most, and establish themselves as 21st century brands and not commodities," said Passikoff. "If marketers think engaging consumers is hard now, wait till they try doing it as a commodity."

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