

8 Lodging Brand Resources to Increase Revenues

By Bradley J. Sax

We are increasingly called upon by mortgage holders to aid hotels that are facing financial troubles. Sometimes we are called in anticipation of a foreclosure action to begin arrangements for a receivership and at other times we are called in when the mortgage holder is exercising its rights under the terms of its loan to interject professional management. Fortunately, we are noticing a new and developing trend from alert hotel owners who are aware that things “aren’t quite right” and don’t understand why their hotel is not producing the revenues it should. These owners are smart in seeking outside expertise before it is thrust upon them. It can allow them to negotiate out of a receivership or forced management situation before it happens.

One common thread among these and all our clients whether multi-unit owner-operators or family-operated motels is that they have not fully utilized the resources available to them from their franchised brand. It’s a shame really, brands work hard to provide value for their franchise community and so often their efforts go unnoticed and underutilized. Below are eight key resources available through most major lodging brands. Speak with your sales teams and general managers to learn more about how they are being utilized at your hotel(s).

Brand and On-line Travel Agency Partnerships: It wasn’t long ago that the online booking sites that marketed to the public were based upon a wholesaler model; taking control of your room inventory at a great price reduction and reselling it at the highest possible price pocketing the difference. For the most part those days are behind us. Brands that are focused on maintaining long-term quality and rate integrity have forced the third-party sites into arrangements that are much more favorable to hotels. Sites like Orbitz, Expedia, hotels.com, etc. have experienced an extreme makeover as “on-line travel agencies”. Major brands have negotiated new agreements where the on-line agency and hotel agree to maintain pricing integrity and to work on a commission model like a traditional bricks-and-mortar travel agency. Yes, the commission is slightly higher than the traditional 10% (about 15-20%). However, you no longer turn over some of your valuable room inventory to them. You can allot any amount of rooms you want when you want. Would you pay a slightly higher travel agent commission off your best available rate on an off day while still maintaining price integrity? I hope you would.

In the arena of on-line travel agencies, don’t forget about the online government travel agency, Fedrooms, the Federal Premier Lodging Program. It is a “must participate” program for those seeking the government traveler. Major brands (Choice, Hilton, Wyndham, LaQuinta, and IHG) are all there advertising and may have tie-in advertising opportunities for you at little or no cost.

Brand Promotions & Packages: Most lodging brands work hard to create well-thought out promotions and package templates for both business and leisure travelers which they advertise in print media, on the web and through their telephone reservations centers. Participate in these promotions and packages. You are able to set the pricing and they are great at creating incremental revenues at off peak times.

Brand Frequent Guest/Loyalty Programs: Your franchise has gone to great lengths to generate a tremendous database of loyal users of your brand. At little or no cost you can participate in numerous promotional offers to these loyal users. In most cases the database is so excellent you can target travelers who are regular visitors of your destination. Bonus point offerings for things like first time guests, or off night arrivals can target an untapped base of new guests. Yes, I know you are going to pay for the points you give to these guests, but again this is not a valid complaint as you should be pricing your best available rate with this and all discounts, costs and commissions in mind.

Group, Motor Coach and National/Global Sales Offices: I have to confess that I have yet to meet one director of sales or general manager who can name their contacts in the group, motor coach and/ national sales offices of their brand. These account managers want and need to know more about your hotel and what it offers (especially if it is unique to your brand such as a “select service” branded hotel with an attached conference center, a location next to the number one motor coach stop in your market or about your corporate amenities package that is above the brand standards). Have contact with them and teach them about your individual hotel. But, please don’t try to tell them how great you are during the height of the RFP season. Reach out to him or her in January when they are not frazzled by all of the activity. These national account managers are calling on the top decision makers and influencers at the largest national accounts. It is important that they know you and have a relationship with you and your hotel.

Speaking of visiting, have you visited the brand’s national reservation center to do a presentation?

Performance Reports: Nothing highlights your opportunities like comparison data. Reports like STAR from Smith Travel Research and Hotelligence by TravelClick are often provided at no charge by your brand. Take the opportunity to evaluate where your opportunity lies and create sales strategies for revenue growth. Does the STAR report indicate in your market that hotels of your brand scale, location and price-point are achieving a higher average daily rate or occupancy? What will you do about it? Does the Hotelligence report indicate that your competitors have attracted a new account in the market? Obtaining these reports and understanding how to utilize them to grow revenues is essential to long-term financial success.

Co-Operative Promotions and Advertising: Brands often create regions that can cooperatively promote their area and split the costs of promotion among the participants and even the brand. There may also be marketing funds or credits against your marketing fund fees for opening or converting hotels.

Training: Our firm conducts direct sales training conferences periodically throughout the year often on behalf of national brands. Don't miss the opportunity to attend training and to assist your sales team members and general managers, yes I said general managers, in learning more about selling. Attending a one-time mandatory sales training seminar is helpful but is not going to hone the skills of your staff to an expert level. Repetitive sales training with multiple facilitators will aid them in growing their skill set and closing abilities. Training is also typically offered in the area of revenue management where the same suggestions apply.

Distribution Channel Placement: Where on the list of hotels does yours show up on the web, on the GDS systems or at the call center? Speak with your franchise support representative to discuss how your brand can help you place better on these searches. They can guide you to ways in which you can improve performance such as pay-per-click, GDS placement (i.e., Sabre Spotlight), web search placement, etc. Some at a cost and some not.

As you wrap up your marketing plan for next year think about reviewing the opportunities above and adding some related tasks to the plan. Good luck!

About the Author:

Bradly Sax is the Managing Partner of SHG Consulting|Management. An industry veteran, his depth of experience in lodging operations and sales provide the backbone and knowledge base for SHG's assignments. Prior to becoming the Managing Partner of SHG Consulting|Management, Mr. Sax was the Chief Operating Officer for two North American hotel ownership, consulting and operating companies which managed lodging brands such as Marriott, Hilton, Holiday Inn, Hawthorn Suites as well as independent boutique hotels in large, medium and small markets.

Mr. Sax is qualified by the Unified Court System of New York as Receiver and Property Manager pursuant to Part 36 of the Rules of the Chief Judge of New York State. He is a Certified Hotel Administrator (American Hotel & Lodging Association) and is operations and sales certified by numerous industry brands. He is a published author on industry topics and a frequent lecturer on College and University campuses. Mr. Sax also serves on numerous advisory boards and committees including those of educational institutions.