

ACCELERATING INTO 2011, HOTELIERS BEWARE THOSE SPEED BUMPS AND TRAPS



What happened in 2010 in hospitality sector and what changes and improvements should be implemented in the field in 2011.

What a climate we all worked in this past year, many sectors tasting recovery and revenue boosts, while others saw swift demise or grappled with debt. This “Brandscape” was volatile, yet wildly opportunistic for those with liquidity and foresight. Properties changed portfolios, new Brands were announced, old favorites faded away. Loyalties and Brand identification became confused and diminished. Investment and expansion aimed towards Asia, the new Hospitality frontier.

Our Guests became a different kind of consumer. Having gone through significant economic introspection themselves, restraint trumped (not as in the Donald) aspiration. What they sought for a Hospitality Experience changed dramatically. They looked for value, common sense purchase, and authenticity. Meetings and conventions showed a modest up-tick, and there is still conflicting positions on who will lead the recovery through 2011 - the business or leisure traveler.

Facilities have not changed much, as little was reinvested in our properties. Renovation and planned maintenance slowed to a trickle, schedules continually pushed out. With service we merely tried to hold our own, as we drastically downsized, slashed schedules, and entirely stopped training initiatives. Our product remained bland and dated.

Technology advances did not stop, however. **Internet applications and creative systems abounded with new approaches to all aspects of our business.** Sadly, many operations simply did not have the Budget to invest in these State of the Art advances. Most just stayed with their current approaches, figuring the status quo was better than nothing. Of course, nothing from nothing is still nothing. Market advantage became illusive.

The year 2011 practically screams for clarity, definition and distinction. The “Brandscape” has become homogenized and your Guests far more savvy. Starting with the prominent Hotel Corporations, like a Marriott, Choice or Starwood, most have a slew of Brands under their tent. Their message to the marketplace is garbled. In 2011, the largest hotel operator, Best Western, shall try to formally guide the Consumer to three types or tiers of lodgings with every member actually already somewhat distinct in their own right. This will be a momentous task. Management Companies with several brands in their portfolio will strive to maintain some balance and profitability, as their various hotels seek a market and marketing niche. Independents will continue to move towards the larger marketing organizations to represent their properties, recognizing that as a sole entity their presence is lost. Devalued properties and those in the depths of debt will continue to be attractive to deep-pocketed investors. In short, **the rich will continue to get rich, and those who have been timid are on the back end of the recovery cusp.**

The Phoenix (our hotels and our Guests) has arisen from the debris of the downturn, and we do not know what that really looks like yet. There is real disagreement on the “New Normal”. We may think we know what we are, but how do you translate that to influence Consumer behavior and purchasing

power? “Build and they will come” no longer works (except in China), as went “free HBO”, “Continental Breakfast” and “complimentary newspaper”. However, clever operators will present a holistic picture to their Guest, recognizing that it is all about the whole, full Experience, rather than one segment, the typical presentation, “here is your room”. Marshall McLuen still is correct, the “Media is the message”.

And, that is the starting point - **how do we reach that audience with the message** (or promise) **that we have concocted** (because we are still not 100% sure) **about our Brand**. This whole exercise is wrapped around an honest appraisal of the operation and the validation of the picture you wish to project to the public.

You need to seek Feedback - from your staff, your Guest, your vendor and community. QA and Mystery Shops can also provide that extra layer of information, particularly as you assess your Operational and Service Standards, which have probably lapsed in the last several years. You now can begin to realign resources, processes, and people - investing appropriately and strategically. Your message begins to take shape, and you have learned that it continuously needs to be refreshed and verified through Feedback strategies.

Like a broken record, “Service, service, service” is the mantra, no matter your ATR, your chocolate on the pillow, your Internet connections in the room. Service shapes memories and drives the Guest Experience. **Dedication to care, attention, courtesy and effort have not been devalued in the last few years**; the need has been heightened. Service makes you different and distinctive. Those who deliver for you (your staff) need to be reengaged, for they have suffered just as much as the business.

Technology is the road to supremacy, with the caveat that you have paid attention to invigorating your Brand. Everyone is connected, with too much data and drumming about really becoming the enemy. So many new and exciting products and choices! Cell phones to open your Guest room, the ability to use actual customers to provide precise feedback on how you execute your protocols (the ultimate Mystery Shopper), kiosks replacing the Front Desk, back-of-the-house wizardry - every day a new product or application - hard to select the solutions with all these choices. We may have been dormant as an industry, but those technology entrepreneurs and shakers have not; they are flourishing. Just witness their capacity for new tools with the Christmas retail season and how they tried to reach their audience. The Consumer we wish to influence has choices, as well, and the test is matching our message to their medium.

With this as a preface, what does 2011 hold? Probably more of the same, as the market sorts and shakes out. **Expansion in Asia will be significant**, because that is where the money and the energy lie. However, **business is conducted differently with an emphasis on patience and relationship building**, before any documents are signed. The rest of the world will tussle with defining the “New Normal” and continue to experiment through marketing. Hoteliers will still need a practical means of expression, grounded methods of measurement, and a consistency of delivery. Every exchange (“touch point”) with your Guest must emphasize that you will care for them, attend to their needs and that their business and concerns are valued. All your staff will need to reflect this behavior. And, you must be prepared to reward those employees who excel with this value proposition.

We need to better embrace the simple concept of engaging our Guest, gaining their loyalty, and better than meeting their expectations. We need to better manage the experience, frame expectations, create real value and then market our uniqueness. This dictum has not changed!

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