

## Hotel Sales 2.0 - Tactics to Drive Business in a 'Not So Hot' Summer - By Carol Verret

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The forecasts for this summer are mixed but all agree on one thing - hotels will not be driving close to double digit REVPAR growth in summer 2008! However, wherever there is gloom there are also opportunities for those able to identify them!

According to Travelocity, there are no big indicators of shrinking demand for travel. Travelers are looking for savings by booking packaged trips, looking for drive destinations, and even taking cruises that they can drive to, rather than fly. (Dallas Morning News, May 6, 2008)

On the other side of the forecast spectrum is a recent study by TIA as presented at the annual Travel Com Conference. 'The poison pill in the online travel environment is the slumping economy. If you're not concerned that \$4-a-gallon gas will affect your customers' travel intentions, then focus on the fact that incomes are barely keeping up with inflation. Uncertainty in the economy puts stress on the travel industry - the cracks are already being felt as boomers expect to spend less on travel this coming year, and 62% of all survey participants feel the economy will worsen in the next year. This sort of self-fulfilling prophecy has a tendency to drive down consumer spending on big-ticket discretionary items such as travel. Residents across the U.S. expect to feel the pinch, except the Pacific states, which show a slight increase in optimism.' (A quoted in GroupTravelBlog, April 11, 2008)

There are markets that will perform well and those that are impacted more by the economy and new rooms supply than others. For most markets, it is simply too soon to tell how it will shake out in the end.

It is probably not a good strategy to hold one's breath and 'wait and see' -- it is a good strategy to be proactive and put plans in place as it is certain that consumers will be more price sensitive but also looking to feel that they received value for their summer travel experience.

**Dynamic Packages.** Put together leisure packages to increase the perceived value to the customer. This does not necessarily mean lower room rates as packages 'disguise' the rate. This can be as simple as including a 'gas' credit of a certain amount or as complex as partnering with attractions or other 'hot' services such as spas. The opportunities for marketing these are plentiful - from the hotel's web site to one of the Online Travel agencies.

**Appeal to the Local Market.** Travelers still want to treat themselves, even if it's just a little bit, this summer. They may not be taking that cross country road trip but they can drive across town or across the street. Chances are they have never sampled the rooms, pool, spa or other amenities of their hometown hotels. Make it easy - reach out to them!

**The Small Meetings Market.** The summer may not be so hot but this market is 'hot, hot, hot'! As many corporate and association meetings contract in size, this levels the playing field between smaller hotels and the large group houses, independents and franchises. Anyone can play in this arena that has quality small meeting space. The aggregate revenue in this market of meeting of 100 people and less is far greater than that for large meetings and the good news is, these meetings tend to have shorter lead times. Maximize your presence to them through online RFP channels like StarCite. More on this 'hot' subject in a later article.

**The Social Group Market.** I know I have encouraged this before but the social small group market is one that many hotels have not exploited. Many franchises have special tools designed to allow these groups to book through the central reservation system. Independents have opportunity in the online social group space through channels such as Travelocity, Grooogle and HotelPlanner.com and their own web site. Gain visibility on each of these by positioning the hotel and the amenities, sometimes more important than rate, geared to those that are preferred by social group. Provide a community page for the group to share and collaborate on their trip. Families will still have reunions and classmates will still have high school reunions this summer.

**Mailings to Past Guests.** In a universe of email campaigns, mailings are now getting attention again as there are fewer organizations doing them. Special offers to those guests that already know you and have used you in the past are cheaper faster to execute than many other campaigns you could do. Postcards work well as the offer is apparent on outside of the mail piece - don't ask them to open an envelope, they probably won't. Direct the guest to make their reservation on the hotel web site. This allows the hotel to measure the effectiveness of a campaign in terms of web site traffic and a reservation made through the hotel's web site is one of the cheapest reservation channels.

For those of you who want to find opportunities, here are just a few suggestions. It won't be long before Marketing Plan and Budget season is upon us. According to the most recent PKF study (Robert Mandelbaum, October 2007) hotels are spending less on marketing and merchandising. It could be appropriate to beef up that marketing budget for 2008 as the clouds over the economy are not likely to clear soon!

Watch for the Hotel Sales and Revenue Management 2.0 Book coming out in late summer!

Carol Verret and Associates is offering a series of public hotel sales seminars nationwide this year in response to growing demand from the hotel community. For more information on where they are to be held or how your hotel or management company can sponsor one, email Carol at [carol@carolverret.com](mailto:carol@carolverret.com) or call (303) 618-4065.

Carol Verret And Associates Consulting and Training offers training services and consulting in the areas of sales, revenue management and customer service primarily but not exclusively to the hospitality industry. To find out more about the company click on [www.carolverret.com](http://www.carolverret.com). To contact Carol send her an email at [carol@carolverret.com](mailto:carol@carolverret.com) or she can be reached by cell phone (303) 618-4065. Visit [www.hotelsalesblog.com](http://www.hotelsalesblog.com).

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