

Hotel Best Practice: Business Recovery Strategies Amidst COVID-19



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GROUP

Hotel Advisory & Asset Management Services

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Demand Recovery Best Practices

In light of the recent business demand challenges due to the COVID 19 virus, we can expect significant changes in booking patterns, fluctuations in market dynamics, softer business travel demand, less-than- stellar group pick up from citywide and internal group blocks, growing impact of alternate accommodations (home sharing, corporate housing, etc.). These disruptions and changes need to be recognized and managed but also present a unique opportunity to reposition the hotel's strategy and business mix to perform optimally moving forward. Take the time to prepare now: review pricing and inventory strategies, diversify market mix, and identify new opportunities to generate demand for the hotel.

Group Sales:

A natural place to start your review is group given its longer booking window, strong ADR, and ancillary revenues. With weakening demand from traditional business transient segments, group becomes more important in establishing base business further out.

- Review current group booking parameters and adjust selective sell guidelines include MAR or GPO and group ceilings as needed.
- Focus on you back yard as more meetings will likely happen close to home to reduce travel risk.
- Consider offering teleconferencing solutions, which may be a way for companies to meet and avoid travel risk.
- Let's energize our sales teams to focus on sending STAR leads...we need this help!
- It will likely be necessary to take some risks in the short term to place more base business
 - Establish selling guidelines to target shoulder dates, holidays and weekends.
 - Incorporate premium room types into room blocks to help grow average rates especially with groups that will impact midweek patterns and compressed time periods.
- Set up a ranking system in the sales system to help sales managers identify need dates and possibly provide greater incentive to book groups during those need dates.
- Review F/B minimums, room rental, and ancillary revenue requirements and consider reducing them to secure group base.
- Evaluate whether internal F/B spaces such as restaurants, pool deck, lobby bar, etc. could be used as a buyout for events.
Develop a selling guideline that will aid sales team in selling these non-traditional spaces more effectively.
 - Add imagery to the website showing F/B space activated for events and/or buyouts.
 - Showcase similar imagery at the host stand and/or the hotel lobby on tasteful digital displays.
 - Retrain staff to keep event buyouts top of mind when interfacing with restaurant clientele.
- Set a rebooking target for your sales team to make sure all annual groups are contracted for the coming year as soon as possible or as soon as their meeting is complete.
- Consider offering a multi-year contract, depending on market dynamics for the upcoming year.
- Review lost business reports to identify any potential accounts that could be solicited for future business (review past three years). Create an action plan for client development.
- Use the GRC to identify groups that have met at the hotel in the past but have not returned to the hotel within the past two years. Develop strategies to reconnect with these customers and ascertain future meeting needs.
- Review reader board reports from the past six months to identify target group accounts. Develop a strategy on how to sell against these hotels to shift share from the compset.
- Develop meeting incentives for specific need time periods such as: Pick your Perk, rebate, higher commission, free coffee service, 1/30 comp instead of 1/50, lower attrition clause, etc.
- Target/partner with third party meeting sites such as Helms Briscoe, CVENT, Conference Direct, Experient. Make sure website listings are updated and optimized.
 - Are the pictures up to date and represent the hotel effectively?
 - Does our property description reflect the current status of our hotel?
 - How do our prices compare to other hotels listed?
 - Is there paid advertising or promotional rates we can offer to meeting planners?
 - All leads must be answered in a timely manner. Speed wins!
 - Provide the contact with alternate dates if the requested dates are not available.
- Whether your hotel is part of a brand or independent, take advantage of the tools and services offered to help leverage the hotel for additional group business.
 - Make sure national and/or global sales teams are aware of need dates
 - Invite national or global sales team to the property for a fam trip or site visit
 - Participate with brand or management company sponsored visits or events targeting meeting planners, travel agencies, or specific national accounts
 - Evaluate all upcoming marketing opportunities that are brand or management company sponsored and develop

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compelling and unique offers to promote

- Train sales teams how to effectively prospect using web searches to identify possible future business opportunities.
 - Set up Google alerts for groups meeting at your competitive set
 - Actively search for groups staying at your comp set to identify changes at the company, including, but not limited to, hiring, relocation and/or product launches.
 - Review convention calendar and determine if you can participate in group blocks. Load dummy blocks to capture guests that may contact the hotel to book a reservation affiliated with the citywide group.
 - Be aware of what is happening in your market: know when new events, meetings, concerts, sporting events, etc. are scheduled and reach out to determine housing needs or adjust strategies based on compression. Rotate responsibility of updating the team at weekly standups.
- Establish a presence and actively participate with the CVB, Chamber of Commerce, and/or destination marketing office to help keep your hotel visible with these key organizations.
- Consider joining and participating in organizations that are tied to meeting planning and travel such as MPI, SGMP, GBTA, etc.
- Identify lead generation companies such as ALHI or Teneo that might be able to assist with increasing the hotel's group funnel.
- Establish a process that will allow customers to book small social room blocks (up to 25 rooms) via the hotel's website without needing to contact group sales.

Business Travel Sales:

Securing corporate accounts and building business transient base continues to be very competitive. Now is the time to reach out to your accounts, consider further short term value promotions, and actively pursue corporate opportunities for the remainder of the year.

- Monitor account production closely to identify any changes in production or booking behavior.
- Identify corporate accounts that have project business in your market: develop a compelling package to target long term stays
- Negotiate value add inclusions into corporate rates such as free WiFi, breakfast, drink coupon, etc.
- When possible, negotiate a rate for premium room types to assist with upsells and better management of room types.
- Complete as many compelling business cases as your brand or management company allow to qualified target accounts.
- Revisit accounts that no longer stay at the property and determine if there is an opportunity to regain a spot in their travel program for the remainder of this year or into next year.
- Develop an effective pricing strategy/value proposition for RFP season in 2020: secure accounts early without sacrificing rate.
- Effectively use TravelClick Tools (A360, D360) to help identify account opportunities in the market.
 - Review top accounts and validate production at the property and within the comp set: does the hotel own the account or just getting fair share? Are there accounts that are performing significantly better or worse than last year and if so, do we know the reasons why?
 - Identify the top accounts staying at the competition that don't currently stay at our property: is there an opportunity to shift share from the comp set to our hotel? When was the last time the BTSM contacted the account/travel manager?
 - Take a look at the travel agencies that are booking non negotiated rates: can you easily identify what company the agency may represent? Is there enough volume to warrant a call center visit?
 - Switch up A360 comp sets from time to time to see what other accounts might be staying near your market but not specifically in your comp set.
- Identify upcoming consortia agency sales calls sponsored by your brand or management company that would benefit the hotel. Develop a special promotion to offer the travel agents to encourage referrals to the hotel.
- Consider loading squat rates for accounts in your comp set that do not use your hotel.
- Be aware of new opportunities in your market that would impact business travel such as: store openings/closings, new corporations or small businesses moving into your backyard. Use D&B Hoovers and/or CoStar to identify companies leasing office space.

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Direct Booking Channel and GDS Strategies:

- We would recommend an exclusive GRSC promotion to increase conversions through our direct channels. We won't be in violation of our parity clause and may help mitigate shift to OTA.
- Review BAR structure by room type and validate whether the current pricing structure makes sense given changes in market dynamics.
 - Is there enough flexibility between price bands to price non-qualified rates effectively?
 - How does our pricing compare to our competitors?
 - Has production from BAR remained consistent or has it been shifting to lower priced rate plans? Could the hotel increase BAR production and revenue yield by lowering BAR slightly and limiting the amount of discounts available?
 - Are premium room types priced effectively to encourage a guest to "buy up"?
- Review current strategy with advance purchase rates: determine an appropriate booking window and discount strategy to help build base further out. Is there an opportunity to set up multiple advance purchase rate plans to target different booking windows to help build base further out?
- Update and refresh hotel packages and/or promotional rates to spark interest in the property.
 - Create packages and/or promotional rates that will tie into annual and/or special events, area attractions, or shopping.
 - Develop value add packages that include parking, breakfast, cocktails, or WiFi access to help attract customers.
 - Take a look at packages and promotional rates offered within our comp set and determine whether our hotel could replicate the offer.
- Make sure that all negotiated rates (local and national) are loaded and bookable on the hotel's brand.com site. Manage room type availability to control LRA accounts more effectively over compressed dates.
- Manage NLRA effectively to ensure accounts are not restricted unnecessarily during shoulder dates.
- Consider purchasing sponsored placement on GDS to help secure first page placement on the GDS's hotel listings (HOT screens). Additional advertising on the GDS is normally available via the GDS or TravelClick to run limited time promotions such as Sabre Promospots.
- Evaluate selling strategy for discount segments and adjust controls on traditionally restricted rate plans such as government, AAA/AARP, industry and military discounts.
 - Government:
 - Consider participation in government travel programs and/or websites such as Fed Rooms and SATO Travel.
 - Loosen restrictions midweek to allow arrivals and stay through patterns relevant to government travelers.
 - Evaluate the hotel's strategy with affiliated government travel such as contractor rates, state and local government rates, etc.
 - AAA/CAA, AARP, Senior Discounts:
 - Review discount strategy and availability for AAA, CAA, AARP, and Senior Discount by DOW.
 - Identify top referring AAA and CAA travel agencies and develop a targeted marketing campaign to their membership base.
 - Evaluate hotel's display on aaa.com: should the hotel upgrade its listing to improve placement, visibility, and opportunity to participate in AAA exclusive offers.
 - Consider using AAA Hot Deals to target need dates and leisure travel customers.
 - Industry and Military Discounts:
 - Consider offering discounted/non-refundable rates to airline, travel agent discount, and/or students to impact need dates and build leisure base business.
 - Open special non-refundable rates geared at active and retired military personnel.

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OTA and Opaque Channels:

- Determine the right way to supplement your revenue management strategy with OTA and Opaque. It can be an effective lever, if used strategically and not simply as a way to fill rooms.
- Maintain consistent contact with the market manager for each OTA to stay on top of upcoming promotions and marketing opportunities.
- Utilize all OTA booking solutions as needed including package path, flash sales, LTOs, and member only/closed user group rates. Track and measure the results for each promotion to make sure the hotel is getting the volume and traction expected.
- Consider purchasing additional advertising and/or participating in marketing opportunities via OTA channels to help impact placement.
- Review the hotel's listing on each OTA site to make sure photos and content are up to date. Make sure hotel description on the OTA sites differs from the description on the brand.com site to help build the hotel brand website's relevance.
- Maintain rate parity between the OTA sites and the hotel's website.
- Use opaque booking channels sparingly to help fill need and distressed dates. Use as many profitable price points as needed or allowed by the booking engine to help conversion.
- Verify hotel has opacity on the booking sites; if opacity does not exist, reach out to the market manager to discuss options to regain opacity (change star rating, remove specific/unique amenities from description, etc.).

Central Reservations (CRO):

- Make sure the CRO's database is up to date with hotel information (room types, amenities, square footage, renovation status, account listing, packages).
- Consider offering a booking incentive to agents to help drive conversion.
- Visit the CRO call center to engage with reservation agents to update agents on hotel information, listen to calls, and engage with agents to help impact conversion.
- Invite CRO agents to visit the hotel to experience your hotel and market firsthand. Require the agents to complete a property review to provide feedback and suggestions.

Digital Marketing and Mobile Strategies:

Partner with your digital media team to help better position the hotel online and to drive direct bookings to our brand website.

- Review the hotel's marketing budget for digital media including PPC, Meta, GDS advertising, and retargeting campaigns and adjust the strategy to better fit current needs.
- For those hotels on the Benchmark Platform website solution, if you have not yet initialized your GEO targeting application tools, consider activating them now for use in your local and drive market audience campaign initiatives.
- Capitalize and leverage on existing brand platforms and initiatives. Ensure compelling property offers are timely and in place. Leisure, group, business, seasonal, travel, special occasion, proactive to address challenge periods
- Participate in co-op opportunities as outlined in the Marketing co-op Calendar, including the national PR programming. Ensure property specific PR agencies is intimately involved.
- Strategically plan property e-mail marketing campaigns to target existing hotel guests and the broader reach of the brand's database. Align geo-targeting digital engagement to complement the overall reach.
- Actively participate with the submission of interesting, relevant, and awareness generating blog content for both the Group and Leisure brand blogs.
- Participate in brand offers that are fully funded by the brand and make sense for the hotel.
- Partner with approved vendors to help drive traffic to your website. Explore opportunities to partner with Sojern, Adara or Quantcast to help drive qualified travelers to your website. Use tools like Triptease and Cartstack to help improve conversion on the website.
- Consult with HMA on launching the newly developed Benchmark Abandonment cart email solution.
- Develop specific marketing campaigns that are geared towards mobile booking platforms.
- Work with metasearch sites such as Kayak and Trivago to make sure the hotel's website is listed as a booking option on these sites to help drive direct bookings.
- Review and update special offers on Trip Advisor. Consider participating Trip Advisor's instant booking feature that will drive bookings to the brand.com site.
- Explore opportunities to advertise and market via social media platforms such as Facebook, Instagram, and Twitter.