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**HBR Feature Focus**

Discussions on Emerging Growth Markets

*Meetings & Conventions*

## When the Going Gets Tough, The Tough Start Selling

Some Sure Fire Tips to Impact Group Business

By [Brenda Fields](#), Founder, Fields & Company



Ms. Fields

Travel Research (STR).

It is unquestionable that we are faced with strong economic conditions, especially in the United States, which have had a dramatic impact on the lodging industry. For the past five years, all success indicators (occupancy, average rate, and RevPAR) have climbed steadily and most owners have enjoyed record profits. In New York City alone, demand for the first six months of 2014 increased by 6.6%, breaking all records, per Smith

According to STR, business will continue to remain strong through 2016. But long-time hotel veterans know that success is not based on riding the wave during the good times, but by developing and maintaining excellent sales, marketing, and operational standards, regardless of market conditions. That dedication to excellence is the best insurance against poor market conditions, as we know that the good times do not last forever. Dedication to excellence results in customer loyalty, top market share, and profitability. Complacency is common during the high demand periods.

But why not start now to use valuable resources already in place and take the steps to increase productivity and expertise? A consistent, strategic, and proactive approach will generate optimal results in a strong market and lay the foundation for success in a soft market.

Group business has historically represented a significant portion of revenues for hotels. In large properties, group business i.e. guest rooms and meeting rooms, can represent 30%-50% of the total revenues. In small properties, groups can represent 10%-20% of the market mix. A drop in this segment can have a tremendous impact on a property's profitability.

Whether your market is the million-dollar convention segment or wedding blocks of 10 rooms, the following tips have withered the test of time for success, regardless of market conditions and new technologies.

### Establish a Plan

It's tempting in a strong economy when demand is high, to just take orders. But knowing need periods and demand periods is important as it results in the right business and creates customer loyalty. What better position to be in when the market drops, than to have a following of loyal customers already in place. Planning creates efficiency in sales and marketing and efficiency in maximizing revenues.

As part of the planning process, it is important to identify the group business by separate market segments for your property and to understand the patterns of demand from each segment. Identifying market segments which drive business and understanding their travel trends and "buy" decisions, will place the sales leader in a position of strength in creating the most effective plan. That level of detail will then provide the basis of the sales plan.

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*Suggested Reading*

- Finding the Right Spa Partner**  
*By Elaine Fenard, Partner & Chief Operating Officer, Europe and U.S., Spatality*
- The Wired Hotel: Make Your Website 'Look to Book' Friendly**  
*By Jerry Tarasofsky, CEO, iPerceptions Inc.*
- The Expanded Role of the General Manager in the Era of Ownership**  
*By Olivier Bottaïs, Managing Director & COO, The Whiteface Lodge Resort & Spa*
- Using Video to Engage and Interact with Online Travel Shoppers**  
*By Paolo Boni, President & Chief Executive Officer, VFM Leonardo, Inc.*
- Fitness Matters: "Balance is Critical to Success"**  
*By Bryan Green, President & CEO, Advantage Fitness Products*
- Legal Outlook: Renovation Time!**  
*By Andrew Glincher, Office Managing Partner, Nixon Peabody LLP*
- CMP's Global Reach: Committing to the Advancement of the Profession**  
*By Marilyn Healey, President, Association for Convention Operations Management*
- Using Online Surveys to Gain Insight into Customer Satisfaction**  
*By Cid Jenkins, Vice President, ATG's eStara*
- Chinese Spa Consumer Goes Up-market**  
*By Jacqueline Clarke, Research Director, Diagonal Reports*



### Create Accountability

Accountability is an important element to keep the sales person working efficiently and productively. Therefore, to maximize the sales person's performance, establish specific and meaningful goals which are tied to the marketing plan. A "best practice" is to set goals which include all activities to produce booked and consumed business (such as new accounts opened, and client entertainment goals) as well as booking and consumed rooms goals. The "right" sales activity will always turn into business when conducted consistently. Consistent monitoring

and evaluation will foster performance and will quickly help identify top performers as well as non-performers.

### Give the Customer What They Want

Does your property know how much business is lost before you even have a chance to bid on it? Take a look at your website. If you cater to meetings and functions, is the information regarding capacities, packages, and all specifications, listed and laid out clearly? In the case of a busy meeting planner, that information is crucial. In all likelihood, the meeting planner will not take the time to call to find out that basic information. And, if the meeting planner has to fill out a form to get information or find a human being to speak, that, too, generally, will not happen. The meeting planner will just move on. So, ensure that that information along with great photos or videos are on the website and are easily accessible. It's also important to include contact information of a real person, who hopefully will respond promptly.

### Set and Sell the Best Prices

One of the challenges with technology is that inquiries and the process of interaction with the meeting planner or client is many times impersonal. Third party booking sites do not allow the sales person to reach out directly. Therefore, "selling" takes place in a vacuum and rates are quoted without understanding the needs of the client or without understanding the real business potential. But the tenacious sales person will persevere in locating the meeting planner to qualify accordingly. A well-qualified piece of business results in a happy client, as the needs have been determined, and a happy owner, as there is the confidence that the business was booked at the best rate and information was identified to resolicit for future bookings.

Convention hotels are notorious for selling themselves short when booking a few years out, especially when the meeting is booked in a soft market, to be consumed at a later date. It's many times, difficult for the sales person to quote rates in the future with the conviction that market conditions will improve, resulting in pricing improvements. Therefore, it is important to involve all management in the pricing decisions, especially if the competition is significantly undercutting your prices. This position can be taken with confidence if there is an understanding of the competitive set and current and future market conditions.

The system of dynamic pricing (i.e. rates changing on a daily basis), presents additional challenges for a sales person to negotiate the best rates. Without careful monitoring, public rates can actually undercut a contracted piece of group business. That practice undermines the sales person's credibility and the credibility of the property, not to mention having to take the contracted group rates down to match the new prices. Therefore, it is important to ensure that processes are in place to avoid this conflict.

### Know Your Product and Your Competitors

One of the most important components in getting the best rates is a thorough understanding of your property and your competitors' properties. There is a fable about the three blind men and an elephant. The fable goes like this. Three blind men had never known an elephant so they each touched the elephant to try to understand what it was. One man held the trunk. The second man held the tail. And the third man felt the side. When they compared notes, they each had a completely different version of what an elephant was!

The relevance of this story to hotel sales is that many times, the sales person is "selling" in a vacuum and does not understand the whole picture or entire competitive marketplace. A thorough understanding of the competitors' properties, as well as the sales person's property, creates a position of strength for the sales person in justifying rates or conditions of booking. A luxury property offering amenities such as Frette linens, 24-hour room service, and separate shower stalls and bathtubs, competing with a standard corporate hotel, should negotiate based on the superior product it has rather than on rate alone. But that cannot happen unless the sales person is well versed in all the elements of his/her property as well as with all of its competitors.

Otherwise, rate negotiating is just a shot in the dark and there is little chance that average rates will increase.



### The Three Immutable Laws of Corporate Job Interviews

By Paul Feeney, President, Sanford Rose Associates



### 10 Areas of FF&E You Should Focus On

By Amy Locke, Director, Interior Design, Hatchett Hospitality



### Integrating Your Spa into Your Hotel

By Jane Segerberg, Founder & President, Segerberg Spa Consulting, LLC



### Boosting Your Spa Retail Sales – A Golden Opportunity

By Gary Henkin, President & Founder, WTS International



### GOPPAR, A Derivative of RevPar!

By Elie Younes, Associate, HVS International



### Fitness Matters: Staying Strong in a Weak Economy

By Bryan Green, President & CEO, Advantage Fitness Products

In this age of internet exploration, it is fairly typical that a sales person will research the competition online but never personally visit the property. But that tactic is faulty as the best knowledge comes from real experience. A personal visit will enlighten the sales person on all the soft elements in a property. How was the person greeted? Were the public spaces clean? Did the staff appear professional and well groomed? That level of detail, combined with an honest assessment of his/her own property and good sales skills, will place the sales person in a better position to book the best business at the best rate

### Create Good Customer Relations

One of the strongest attributes of a top sales person is that of inspiring confidence. Who wouldn't want to conduct business with a person who is eager to help, conscientious in attending to your needs, and does what he says he will do? Reliability and good communication develop trust. It is that trust that will inspire clients to book with a sales person over and over, even if the air conditioning breaks down or construction is going on across the street. Trust can inspire loyalty and help overcome any potential hard feelings if problems arise. Those great habits will translate to revenues for the owners/managers in the good times as well as the bad.

So, by implementing and maintaining a few key systems and procedures, the owner/manager is in a better position to ensure that he or she has a focused, proactive, and accountable sales force to drive market share, profitability, and a solid foundation for success in both the good times and the not so good times!

Brenda Fields is a strategist and sales and marketing expert honed from a successful track record in the hospitality industry. Brenda is a member of the prestigious ISHC, recently served on the Americas Board of Directors for HSMAI, and is Immediate Past President of the Hospitality Sales & Marketing Association International. Brenda was honored as one of "The Top 25 Most Extraordinary Minds in Sales and Marketing" by HSMAI as well as the "Leadership Development" award. She is an industry leader and spokesperson; a member of the Editorial Board of HotelExecutive.com; contributes regularly to international publications Hotel News Now; Hotels Online, Hotel Resource Weekly Network News, eHoteliers, and many others. For more information visit [www.fieldsandcompany.net](http://www.fieldsandcompany.net) Ms. Fields can be contacted at 518-789-0117 or [brenda@fieldsandcompany.net](mailto:brenda@fieldsandcompany.net) **Extended Bio...**

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## Coming Up In The October Online Hotel Business Review

### FEATURE FOCUS

### New Developments and Best Practices on Maximizing Revenue Management



Revenue Management is the application of precision analytics that predict consumer behavior and optimize product availability and price to maximize revenue growth. The primary aim of Hotel Revenue Management is selling the right room to the right customer at the right time for the right price. The essence of this application is in understanding customers' perception of product value and accurately aligning product prices, placement and availability with each customer segment. In the hotel industry, implementing an effective revenue management strategy is a vital component of its operations. In fact, in a recent survey of nearly 500 revenue management professionals in the hotel industry, they predicted that revenue management strategies will become even more targeted and will be supported by increasingly sophisticated technology, as they are applied to other areas within a hotel. In particular, revenue management techniques are likely to be integrated into other hotel income streams, including spas, restaurants, conference/groups and golf courses. As a consequence, the revenue management function will become more crucial to hotel operations, and will likely become a separate department that is under the general manager's supervision. The October issue of the Hotel Business Review will address these significant developments and document how some leading hotels are executing their revenue management strategies.

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