

5 ways to jumpstart group business in 2013

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Story Highlights

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Although the sales-and-marketing landscape has changed over the years, sales expertise is still critical for success.

As 2012 comes to an end, it is an opportune time to evaluate what worked and what didn't work, and incorporate those successful initiatives and practices to ensure the foundation for future financial success.

A smart and honest assessment and evaluation coupled with timely implementation will place owners and managers in a stronger position to withstand economic uncertainties or situations that occur over which they have no control.

Properties that relied on group business were at a particular disadvantage in 2012 because of global economic conditions and, in the United States, a wait-and-see attitude until after the presidential election in November.

The application of social media, mobile marketing and technology has diverted, in many cases, attention from direct sales and its value. Direct sales is typically the most controllable and quantifiable part of a marketing plan. When structured and implemented effectively, direct sales can achieve the best return on investment, even when the cost can account for 50% of the entire marketing budget. Social media metrics are based on soft indicators such as the number of impressions or the number of "likes," whereas direct sales metrics are based on revenues, rates and/or roomnights, and are probably much more meaningful to a business.

Are there strategies that will efficiently and cost effectively impact group business even in an uncertain environment? This article will address some tips to penetrate this market regardless of market conditions to ensure that your property is positioned for success in 2013.

1. Establish a strategic plan

A well-founded plan is the key to staying true to the property's position, thereby ensuring that every initiative is well thought out and is quantifiable. It is the foundation from which all actions stem. The position determines what services and amenities are offered; what type of business the property caters to; and pricing. With the positioning in place, it is important to determine the most realistic mix of business on any given day for a year out, as the patterns and demand for business change daily based on season, day of the week, holidays and local factors. That level of detail will provide the basis of the sales plan, and it will provide the basis for which market segments and the volume the sales department solicits, at what rates, as well as identifies rate opportunities and need periods.



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Depending on the property, it might be wise to segment group business into all the various sub-markets (such as corporate, association, leisure, weddings and social, military, educational, religious, fraternal). The key to success is the understanding of each segment's demand periods and to plan your budgets and goals accordingly. Otherwise, a first-come, first-served approach to booking business will invariably displace revenues that cannot be offset with future bookings. Taking the time to quantify the business on a daily basis allows for well-founded goals for the sales team and for the individual sales manager and keeps the focus tight.

2. Stay true to your target market(s)

One of the first steps of the strategic plan is one of the most basic. That is, identify your target audiences. For example, wedding parties and corporate groups have different needs and different expectations in choosing a venue. A property can certainly cater to multiple markets but having a clear understanding of those specific customer needs and how to reach them will result in a better ROI.

Once you drill down to what will really drive the targeted group business, look at what the actual customer/meeting planner or decision-maker will require in making a decision. Did Twitter feeds or Facebook "likes" generate group business? Many properties are spending countless resources to develop an avenue that does not generate group business and have overlooked smart uses of technology and resources. Does your website have user-friendly information that is clear, concise and downloadable for each type of targeted customer? Is the group contract tailored to the group and sent in a timely manner? Do you offer amenities that the target market wants and needs? Free Wi-Fi in the meeting room might be more important to the corporate group

than an iPad in the guestroom for reaching the hotel concierge. But a bride might prefer a massage to free Wi-Fi. Identifying those needs, tailoring it to the target markets and marketing it to those customers is key to winning those clients.

Most meeting planners and clients will still want to “see it, feel it and touch it,” regardless of how well organized the website is or how user-friendly it is. Personal interaction is key to the sales process and is the primary component to make the sell. Not every need or every concern can be listed by a client in a request for proposal. It is the skillful approach by the salesperson that will uncover those issues and resolve any concerns, resulting in booked business.

3. Prospect efficiently

Many times, the salesperson is at a loss as to find new prospects. The tight security of companies has made it virtually impossible to prospect through cold calling. But there is business to be uncovered and the smart leaders will take the right steps to ensure that their salespeople can uncover group leads. Some tips are:

- It’s important to be visible. Join industry associations where the membership includes meeting planners and influencers. Some examples include: Meeting Professionals International; Hospitality Sales & Marketing Association International; International Special Events Society; and BizBash. In addition to joining, it is also important to actively participate. Active involvement contributes to credibility, professionalism and overall image with the potential client. These associations have membership directories and the chances of a salesperson reaching a decision-maker are greatly enhanced.
- Monitor the local news to know about the local business environment. Real estate deals can result in new business for a hotel. And usually by the time a new business has relocated to your area, the hotel deals are already done.
- Get involved in your local community. Being a good community member will once again allow you to interact directly with the movers and shakers who are responsible for sending business your way. But, be consistent: Sometimes, hotel management is no better than ambulance chasers, who try to benefit from a crisis. An authentic and ongoing approach to doing good deeds is key to being an important and respected part of the community.

4. Take stock of your property and your competitors

Unfortunately, it is far too common that an established salesperson has never been to a competitive property. Without that first-hand knowledge, it is impossible to sell effectively if a customer is shopping your property as well as your competition. A thorough understanding of the competitors’ properties, as well as the salesperson’s property creates a position of strength for the salesperson in negotiating rates or conditions of booking. A personal visit will enlighten the salesperson 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? Were the meeting room walls in good repair or in need of painting? That level of detail, combined with an honest assessment of the property and good sales skills, will place the salesperson in a better position to book the best business at the best rate.

5. Develop staff with excellent sales skills

Lastly, although the sales-and-marketing landscape has changed over the years, sales expertise is still critical for success. It is the skilled and professional salesperson that will develop loyalty and inspire confidence with clients despite product deficiencies or outside factors over which the property has no control.

It is excellent sales skills that will convert leads or inquiries into actual business, as well as produce the highest revenues. How much revenue is left on the table because the salesperson does not possess the product knowledge or great sales skills to sell at a higher rate? It is the most successful salesperson who has a good understanding of the hotel as a business. What does a 6 p.m. group check-out mean to the overall business? It typically means that expenses are significantly increased to cover the additional labor costs required to clean those rooms long after the housekeeping staff has left. Armed with those sets of skills, the salesperson is fully prepared to negotiate in the best interest of the hotel while simultaneously ensuring that the client’s needs are fully met. That winning formula will help foster client loyalty and will help minimize any issues that might have come up during the client’s stay.

So rather than follow the pack, successful owners/managers will take charge and ensure they customize expert plans and develop skilled salespeople who can impact business regardless of market conditions and who enjoy the challenge. Let’s enter 2013 with a new passion.

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