

## CRONER – FOOD &amp; DRINK MANAGEMENT – August 2009

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**MAY I SEE YOUR WINE LIST? - Oenophile event planners offer advice in USA Survey**

Businesses and associations have been wining and dining important customers, prospective clients and top employees for centuries – or more. There is nothing like a world-class meal paired with the perfect wine to make someone feel important and appreciated. Business plans may be made in the boardroom or conference room, but business relationships can be grown and nurtured over a glass of wine.

In the current economy, everyone from bankers to brides is cutting their event budgets. The Knowland Group, a worldwide provider of hospitality sales and marketing products and services, questioned several event planners and found that the key to good wine service – whether for 4, 40 or 400 – is not budget, but planning and communication.

“Even if a host is an oenophile [a person with a fondness and appreciation of wine] the quality of the wines will be lost on the guests if they are not on the same wavelength,” says Damaris Johnson, a principle at PLANit Event Solutions, Long Beach, California, who specialises in business development through catering and events. She says that it is typically small groups who request the services of an onsite sommelier or pre-order specific wines by the case. For large or small groups, Johnson recommends setting a per-bottle price and attending a tasting to choose wines that will fit your event and your budget.

Dannie Goddu, wine manager at Total Wine & More and owner of Raffine Events, Hampton, Virginia, advises planners to “go for the venues that provide excellent service, but look for more off-the-beaten path wines. If you are looking for the feeling of an expensive Bordeaux Blend, you will probably be just as happy with a California Claret or Virginia Meritage Blend. If you like Sauvignon Blanc, try a fresh and fruity one from South Africa,” she says. “Remember; just because a wine isn’t super expensive, doesn’t mean it isn’t fabulous.”

Here were some tips to save on wine service at US events:

- Get wine from up-and-coming regions like Spain, South Africa or Chile.

- Don't butler wine; you'll save on both wine and service.
- Ask to bring your own wine to a venue. Many venues are willing to do this to ensure business. Some may not, but might offer to upgrade the wine service for you.
- If you can bring wine, buy in bulk.
- If you order from a winery, call them directly. They may be willing to negotiate.
- Better yet, go to a local winery and speak with the owner or manager.
- Ask an expert. Wine lovers love to talk shop and share their knowledge of all wines – even the ones that won't break the bank.

The Knowland Group is a provider of sales and marketing products and services to the hospitality industry worldwide. The company, based in Salisbury, MD, serves over 90 markets within the United States, Canada, Mexico, Caribbean and United Arab Emirates.

### **A NEW WAY TO INTEGRATE EXPENSE MANAGEMENT AND CORPORATE BOOKING**

Travelport GDS, the global distribution system (GDS) provider operating both the Galileo and Worldspan platforms, has announced an agreement to jointly deliver an integrated expense management and booking solution that combines IBM's Global Expense Reporting Solutions (GERS) with the capability to integrate all Travelport GDS bookings. This agreement brings to Travelport and IBM customers an expense management solution with integrated travel booking data regardless of how the transaction was booked.

Under the agreement, Travelport GDS will focus on its core competencies of delivering GDS content and Traversa™ - the company's online travel management booking solution.

IBM will provide expense management services via its well known GERS solution that enables employees to submit, approve, reimburse, and monitor business related expenses with an efficient automated workflow.

Travellers whose organisations which use Travelport solutions coupled with GERS will enjoy the convenience of having credit card billings automatically matched against travel reservation transactions. Corporations in particular will benefit because greater visibility into booked versus actual spend, is a critical component of effective corporate travel policy compliance.

The new joint solution is said to offer enhanced corporate control and travel policy compliance, streamlined travel and expense management reimbursement processes, global delivery and local support and robust enterprise business travel intelligence.

“Our new agreement with Travelport reflects our commitment to the business travel marketplace,” says Ray Curatolo, director of GERS for IBM. “It is a key step in our strategy to demonstrate IBM’s leadership in global end-to-end travel management.” IBM GERS is part of IBM Managed Business Process Services (MBPS), which automates and standardises core business processes for clients in areas such as human resources, accounting, mortgage origination and expense reporting. IBM GERS may be found in over 90 countries and processes more than 20 million expense reports annually. Clients using IBM GERS are said to be able to increase the process efficiency and cost effectiveness of their overall travel expense management.

“We are delighted to team with IBM to offer our joint customers an end-to-end travel policy management and travel spend management solution, one that is currently in use by IBM itself, which has one of the largest corporate travel management programs in the world today,” said Armin Meier, chief commercial officer, Travelport GDS. “This integrated solution will provide our mutual customers with innovative expense management capabilities, helping companies control travel and expense processing costs and manage, analyze and retrieve reports on business travel-related operations. Importantly, it will also facilitate travel policy compliance.”

According to Meier, “Our ability to support large global corporations such as IBM on a worldwide basis through local services and content is a unique distinctive competence that adds quantitative value to our corporate customers. Integrating the GERS expense management solution with Traversa will further add to our corporate value proposition by applying the capabilities, experience and technology that IBM, working with Travelport, has gained within its own business.”

Traversa is an online booking tool that allows business travellers quickly and cost-effectively to shop and book their own reservations while enabling corporations to maintain travel policies, maximise supplier agreements, standardise processes, and achieve high online adoption. Traversa has over 330,000 active traveller profiles and processes in excess of 1.5m booking transactions annually. IBM itself was one of the first large global corporations to adopt Traversa which is currently used by over 250,000 IBMers across 16 countries worldwide.

Travelport, meanwhile, is one of the world's largest travel conglomerates, offering broad-based business services to companies operating in the global travel industry. Travelport is comprised of the global distribution system (GDS) business that includes the Worldspan and Galileo brands; GTA, a leading

global, multi-channel provider of hotel and ground services; IT Services & Software, which hosts mission critical applications and provides business and data analysis solutions for major airlines. With 2008 revenues of \$2.5 billion, Travelport operates in 160 countries and has over 5,500 employees.

## **LEVERAGING SOCIAL NETWORKS AND BUILDING GUEST RELATIONS**

Lodging Interactive, the interactive marketing agency servicing the hospitality industry has announced the launch of its fully managed Social Media Marketing Service for hotels. The new service is intended to help hotels leverage the immense reach of Twitter, Facebook and other sites by providing a cost-effective Social Media Marketing Service. The fully managed service provides a pro-active social media communications service and an ongoing monitoring of consumer User Generated Content (UGC). The service is designed to encourage online communities, engage consumers in interactive conversations, manage the hotel's online reputation, build brand awareness and generate sales from numerous marketing channels directly.

"Our fully managed Social Media Marketing Service combines our existing HuBBub™ and Chatter Guard™ Social Media services with pro-active blog management for the hotel's Twitter and Facebook content distribution. The Social Media Marketing Service is a natural extension to our core business, by not only enabling a strong social media presence, but interrelating social media with its benefits to organic search rankings. Hotels can now outsource their entire Social Media Marketing efforts to Internet marketing professionals," said DJ Vallauri, Lodging Interactive's Founder & President.

Lodging Interactive's fully managed Social Media Marketing Service provides hotels with a solution to help build customer connections via Web 2.0 technologies and services.

The service includes:

- Customised hosted blog to match the look and feel of the hotel website
- Hosted vanity URL for easy linking of hotel website to the blog
- RSS & email sign up feeds
- Hotel logins for direct blog postings
- Weekly blog posting services performed by Lodging Interactive
- Fully managed Spam and blog comment oversight
- RSS content push to hotel's Twitter account
- RSS content push to hotel's Facebook account
- Monthly statistical reporting

- Ongoing Social Media Monitoring of hotel consumer reviews via Chatter Guard
- Consumer comment scoring based on service attribute
- Online management dashboard
- Monthly reporting delivered via email to up to 10 people

"Until now, hoteliers haven't had a clear, professional and cost-effective manner in which to reach out to the millions of consumers on the Social Media Networks. Our proprietary technologies combined with Social Media Marketing in-house experts delivers the ultimate solution to our clients," stated Mr. Vallauri.

Lodging Interactive is a leading provider of Internet Marketing Services to the hospitality, spa and restaurant industries. The company provides a portfolio of effective Internet Marketing Services to hundreds of hotels, resorts, timeshares, spas and restaurants. Clients included branded hotels from nearly every major brand as well as prestigious, landmark independent hotels.

### **IT'S TIME TO CHECK YOUR SECURITY**

If even the big names can get caught out by breaches of on-line security then we all need to be prepared and to regularly update our precautions. One such breach for a major global hospitality operator has been revealed in an open letter to Radisson® Hotels & Resorts guests from Executive Vice President & Chief Operating Officer, Fredrik Korallus.

In the letter Fredrik revealed that, "between November 2008 and May 2009, the computer systems of some Radisson® hotels in the U.S. and Canada were accessed without authorization. This unauthorized access was in violation of both civil and criminal laws. Radisson has been coordinating with federal law enforcement to assist in the investigation of this incident. While the number of potentially affected hotels involved in this incident is limited, the data accessed may have included guest information such as the name printed on a guest's credit card or debit card, a credit or debit card number, and/or a card expiration date".

This is the nightmare scenario as such events can severely dent confidence. If such a security conscious organisation can be caught out then are we really assured that our sites are secure? Now is the time to check.

The Radisson letter goes on to advise guests to review their, "account statements and credit reports closely. To the extent there is any suspected unauthorized card activity, it should be reported to the bank that issued your credit card, as well as proper law enforcement authorities".

In a message of reassurance the letter says that in reaction to what has happened, "Radisson values guest privacy and deeply regrets this incident occurred. Working with law enforcement and forensic investigators, Radisson is conducting a thorough review of the potentially affected computer systems, and

has implemented additional security measures designed to prevent a recurrence of such an attack and to protect the privacy of Radisson's valued guests. The company also is working closely with major credit card suppliers and law enforcement to ensure the incident is properly addressed".

### **WILL HOTELIERS WIN THE REVENUE RACE AT THE ABU DHABI FORMULA 1 GRAND PRIX?**

IDeaS Revenue Optimization, a leading provider of pricing, forecasting and optimisation solutions and services, has released their list of 'Winning Revenue Management Strategies' for the upcoming Formula 1 (F1) Grand Prix in Abu Dhabi, UAE.

Excitement is building in the country as Abu Dhabi prepares to make its debut on the F1 World Championship stage, and hoteliers are trying to determine how to best take advantage of the expected increase in both demand and occupancy through the use of optimal revenue management and pricing strategies.

With the 2009 Grand Prix being the first of its kind to be held in the UAE, no historical data is currently available for the industry to base their expectations on in preparation for the November race. "With no background data available for hotels in the UAE, many hoteliers are raising a variety of questions; such as what optimal rates they should be charging, what minimum length of stay requirements they should set, and if there will be any significant impact on other streams of revenue" explained Paul Van Meerendonk, senior consultant, IDeaS Advantage EMEA.

"To provide a sense of clarity and control for hotels in Abu Dhabi, we undertook a detailed study of three recent Grand Prix events in Asia in an effort to provide the industry with a sense of what to expect and how to best prepare" added Van Meerendonk.

IDeaS analyzed race weekends in Shanghai, Kuala Lumpur, and Melbourne from 2005 - 2007. The research undertaken focused clearly on levels of occupancy, the optimal rates charged, and the other streams of revenue which were affected by the various Grand Prix events. The data was then formulated in a manner which was able to provide a clear picture of the effects of each Grand Prix on individual cities.

By comparing the performance of hotels over the race week with the surrounding eight weeks, IDeaS was able to provide a comprehensive view of the effect of each Grand Prix on occupancy, pricing, and other streams of revenue such as food and beverage.

Through its detailed analysis of the various Grand Prix events, IDeaS has recommended Abu Dhabi hoteliers undertake a range of revenue management strategies to both take advantage of and cope with the expected increase in demand. The use of carefully planned pre-paying options to help reduce the impact of costly last-minute cancellations, as well as the implementation of minimum length of stay requirements during the period, are just some of the different revenue management strategies IDeaS has recommended hotels apply prior to the F1 race.

As was expected, previous F1 events had a positive effect on the host cities, highlighting the need for Abu Dhabi hoteliers to prepare their revenue management strategies for an above average period of occupancy as well as higher food and beverage sales.

The Grand Prix is to be held on November 1, 2009 and it is expected to give the local economy a major boost. Although no concrete figures are available on the economic impact, the Bahrain International Circuit claims that its 2006 Grand Prix generated \$394m in direct income to businesses and traders in the Kingdom, worth almost 3% of GDP.

### **MIXED JULY 2009 RESULTS FOR EUROPE**

The European hotel industry posted mixed year-over-year results when reported in U.S. dollars, Euros and British pounds for July 2009, according to data compiled by STR Global.

Figures for occupancy, average daily rate and revenue per available room ranged from double-digit losses to double-digit gains, depending on the market and the currency used for comparison.

“Although we have yet to see any clear signs of real improvement, there is some positive news in Europe, and the figures show that not all areas are still falling”, said James Chappell, managing director of STR Global.

“As we have seen all year, Europe’s four main regions have split along distinct lines, with Northern Europe trending in a more positive direction and Eastern Europe falling the most. Looking at the July numbers, specifically the year-to-date figures, we are seeing that when markets are improving, it is driven by an improvement in the occupancy numbers, whereas those markets that are still deteriorating are almost exclusively being caused by a continued drop in the rate.

“The news from Northern Europe, which includes the U.K. and Scandinavia, is positive and trending in the right direction”, Chappell continued. “After starting the year on a negative RevPAR percent change of -24 percent, this has improved to a 20-percent decrease by the end of July and has been caused by a stabilisation in the fall in average room rates combined with a rise in the occupancy numbers. On the

other side of the spectrum, Eastern Europe continues to post bad news, with Eastern Europe's year-to-date RevPAR percent change exceeding a 36-percent decrease even though the occupancy percent-change numbers have been steadily improving since the beginning of the year".

<b>Year-over-year July 2009 figures for Europe (U.S. dollars, Euros and British pounds):</b>		
	<b>Europe</b>	<b>% change</b>
Occupancy	66.8%	-4.2%
ADR (U.S. dollars)	\$130.60	-20.3%
ADR (Euros)	€92.90	-11.6%
ADR (British pounds)	£79.41	-4.0%
RevPAR (U.S. dollars)	\$87.29	-23.6%
RevPAR (Euros)	€62.09	-15.4%
RevPAR (British pounds)	£53.07	-8.1%

Source: STR Global

Highlights from key market performers for July include (year-over-year results, all currency figures are in Euros):

- Glasgow, Scotland, was the only key market to report increases in all three key metrics. Occupancy was up 8.3 percent to 81.2 percent, ADR rose 3.2 percent to EUR76.52, and RevPAR increased 11.8 percent to EUR62.11.
- Venice, Italy, experienced the largest occupancy increase, jumping 10.3 percent to 69.8 percent.
- Four markets reported occupancy decreases of more than 10 percent: Budapest, Hungary (-17.1 percent to 56.3 percent); Madrid, Spain (-14.5 percent to 51.6 percent); Geneva, Switzerland (-14.2 percent to 65.3 percent); and Brussels, Belgium (-11.8 percent to 53.7 percent).
- Tel Aviv, Israel, posted the largest ADR increase, rising 16.5 percent to EUR171.83, followed by Geneva with a 13.5-percent increase to EUR266.63.
- Two markets reported ADR decreases of more than 20 percent: Moscow, Russia (-38.5 percent



to EUR121.55) and Madrid (-21.0 percent to EUR81.84).

- Tel Aviv reported the largest RevPAR increase, up 12.8 percent to EUR131.52.
- Six markets reported RevPAR decreases of more than 20 percent: Moscow (-43.5 percent to EUR74.31); Madrid (-32.5 percent to EUR42.24); Prague, Czech Republic (-23.2 percent to EUR42.80); Manchester, England (-22.0 percent to EUR50.91); Barcelona, Spain (-21.5 percent to EUR76.47); and Birmingham, England (-20.3 percent to EUR38.22).

<b>Performance of key countries in July (all monetary units in local currency):</b>						
<b>Country</b>	<b>Occupancy</b>	<b>% change</b>	<b>ADR</b>	<b>% change</b>	<b>RevPAR</b>	<b>% change</b>
Germany	61.3%	-1.5%	EUR70.67	-6.4%	EUR43.30	-7.8%
Italy	59.5%	-4.0%	EUR128.60	-8.0%	EUR76.48	-11.6%
Russia	57.0%	-11.6%	RUB4923.97	-25.7%	RUB2807.98	-34.3%
Spain	63.6%	-9.0%	EUR85.01	-13.3%	EUR54.06	-21.2%
United Kingdom	76.3%	-2.5%	GBP79.09	-9.6%	GBP60.33	-11.9%

For more than 20 years, Smith Travel Research has been the recognized leader for hotel industry benchmarking and research. Smith Travel Research and STR Global offer monthly, weekly, and daily STAR benchmarking reports to more than 37,000 hotel clients, representing nearly 5 million rooms worldwide. STR is headquartered in Hendersonville, Tennessee, and STR Global is based in London.

**Links:**

IDeaS Abu Dhabi strategic recommendations: <http://go.ideas.com/WP8/>.

Knowland Group: [www.knowlandgroup.com](http://www.knowlandgroup.com)

Lodging Interactive: <http://www.lodginginteractive.com/social-media-marketing.htm>

Radisson – Open letter: <http://www.Radisson.com/openletter/>

STR Global: [www.strglobal.com](http://www.strglobal.com)

Travelport: [www.travelport.com](http://www.travelport.com)