

Croner: 14.09.09
Hospitality in Focus
by

Dr Bruce Grant-Braham, FIH, Senior Lecturer, Bournemouth University

HOW WAS IT FOR YOUR GUESTS?

As the economy continues to cause concern, despite there being fledgling signs of recovery, all sorts of rumours abound concerning levels of business. Some businesses have had a marvellous summer whilst others saw bookings decline as soon as the school holidays started. There doesn't seem to be a common theme.

IDeaS Revenue Optimization, a provider of pricing, forecasting and optimization solutions and services, wanted to research the worldwide perspective and consequently polled hospitality industry revenue management professionals at a recent conference (IDeaS Client Summit 2009) in Berlin.

Revenue management leaders from some of the world's most prestigious hotels attended the two day event, which was designed to bring IDeaS' clients together to share best practice and enhance their use of the IDeaS Software.

To widen the poll a special global revenue management forum was established, where delegates at the conference were joined online by qualified virtual attendees to give their opinions surrounding key industry and economic issues.

Key survey findings included:

- 51 percent believe that the clear signs of an end to the recession, for the global hotel industry, will begin to show towards the end of the second half of 2010.
- 81 percent believe that the Revenue Manager role in a hotel should report directly to the General Manager.
- 80 percent believe that as a revenue management professional in the hospitality industry, they have the skills to work in other vertical market sectors.
- 55 percent believe that China will be the country that will see the biggest hotel industry growth over the next 5 years, closely followed by India.
- 53 percent believe that online distribution channels will be the area of their business to focus on over the next 6 months; however, 65 percent believe that higher commissions to third party distributors will NOT lead to increased profits from these channels.
- 51 percent currently manage 6 – 15 third party channels.

- 56 percent believe that heavy discounting during tough economic times was only ever an acceptable practice if those offers were limited and fenced as being fixed and non-refundable, as blanket discounting overall threatens a hotel brand's reputation.
- 48 percent believe that a distinct lack of in-house knowledge is the key reason for hotels to outsource their revenue management functions during the current economic climate.

Linda Hatfield, vice president of product management, IdeaS, said that, "Hosting the Client Summit was an opportunity for our valued clients not only to share their knowledge with one another, but also to communicate individual stories of how our technology and services positively impacts their business."

More than 90 revenue management professionals from across the globe attended the global revenue management forum and provided a wealth of opinions. _

HOW SATISFIED WERE THEY?

Whilst all-important the economy is not the only indicator of how well we are doing as hospitality managers. Equally important is that once we have encouraged those customers to come to us how happy are they with the service that we provide?

Interestingly one of the first sets of statistics has come from the USA with the release of the August 2009 Chatter Guard Benchmark Report on Guest Satisfaction. The report, prepared by Lodging Interactive, examined the month of August which in America as here is traditionally the last month of the leisure traveller, before business travellers return in the cooler autumn months.

The report found that in the USA, travellers were leaving hotels on a bit of a down note. Overall, visitors were less enthusiastic in their ratings than they had been in the month of July. On a scale of 1-5, 5 being "fantastic" and 1 being "poor," the average hotel resident reported a slight 1.09% decline in Resultant Quality Score (3.66 to 3.62), a 1.9% decline in Dining (3.68 to 3.61), a 2.52% decline in Housekeeping (3.41), a 1.89% decline in Staff (3.71 to 3.64), and a 4.91% decline in Value.

In fact, the only areas that posted any gains were for Facilities and Rooms. Facilities stayed more or less constant with a move from 4.10 to 4.12 (+0.49%), and Room Quality posted the biggest gains of 2.47% (3.64 to 3.73).

With the return of cooler weather and business travellers, it will be interesting to see if the hotel ratings continue to cool as well.

Lodging Interactive is a well known provider of Internet Marketing Services to the hospitality, spa and restaurant industries including ChatterGuard.com which is an online social media monitoring and reputation management system.

ELIMINATE CHECK-IN QUEUES

One way to increase guest satisfaction at the all-important time that they are forming their first impressions is by trying to make sure that they never wait for their rooms? Many hotels worldwide have tried and failed to eliminate this aspect of hospitality. A new Australian system called Optii Keeper promises, though, to let hotels achieve just that.

“Your room is not ready yet.” Every day, hotels worldwide encounter situations where guests have to wait for their rooms on arrival, with obvious impacts on guest satisfaction and staff stress levels. The reasons vary and can range from length of stay to market mix to transport availability.

A fast turnaround of guests means that a day’s cleaning activity can be compressed into a 3-hour period with the result that guests have to wait and cleaning quality drops in proportion to the room attendant stress levels.

This is not a new problem - in fact numerous generations of some of the smartest operational brains have attempted to find a permanent solution. But within the constraints of the manual processes in housekeeping, only additional staffing has been found to effectively address the problem.

Optii Keeper involves dynamic scheduling and management processes. Only three days into using the system, one integrated urban entertainment resort reported that queues have virtually disappeared from the hotel.

“Being an integrated urban entertainment resort, our guests like arriving early and staying late with the expected consequences,” says Mr. Michael French, Senior Vice President of Operations at City of Dreams. “We used to have up to 100 rooms not ready for arriving guests at 6pm. Once we started using Optii, this number was down to only 10 within 3 days.”

“The system introduces the transparency we need to manage our housekeeping workforce more effectively. We used to give the room attendants a sheet of paper and then hope for the best, whereas we now have the ability to coordinate their workflow, supervise and performance-manage them in real time,” says Mr. French. “The benefits to the operation are immediate and substantial. What helps also is that the housekeeping department loves working with Optii.”

“The feedback from the Hard Rock Hotel at City of Dreams is consistent with experiences from other hotels using the system with managed processes which result in rooms coming back into clean inventory earlier,” adds Soenke Weiss, CEO of Optii Solutions. “Beyond an overall reduction in labour requirements and quality improvements, this is a key aspect of the system that directly impacts on the guests’ arrival experience.”

Links:

Ideas Revenue Optimization: <http://www.ideas.com>

Lodging Interactive: LodgingInteractive.com

Optii Solutions: www.optiisolutions.com