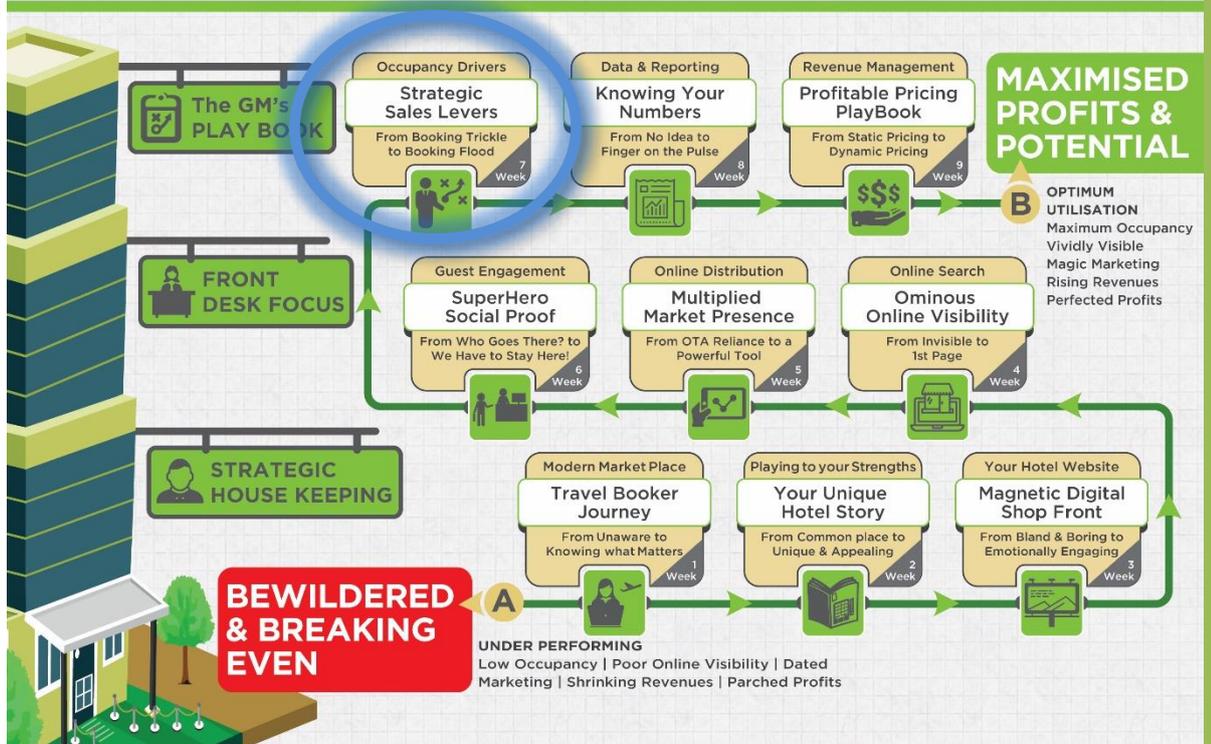


63 Day 80%+ Occupancy ROADMAP



The 63 Day 80%+ Occupancy ROADMAP

A proven step by step system for Independent Hoteliers to increase their profit by up to 50% in 63 days without increasing stress or work load



Module 7

Strategic Sales Levers

Michael Harper & Andreas Palmqvist

Hotel Rescue 2017

Strategic Sales Levers

From booking trickle to booking flood

Module 7 – Occupancy Drivers

Strategic Sales Levers

From Booking Trickle to Booking Flood

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Section 1.

Front Line Experience & Team Development

Whether you are the only person who manages the front line or you have many, it is valuable to have a consistent experience that both pleases the guest and helps you to implement your various strategies across the business. By the 'Front Line' we mean, Incoming Phone Calls, Incoming Emails, Walk-ins, Arrivals & Departures. Each present opportunities, to convert or increase the sales performance of the property. What to say, in what sequence and what is the objective of each engagement.

Killer Questions & FOH Procedure

What systems need to be established for each engagement? Are their scripts that can be developed that can help ask the right questions at the right time? Items like;

- Standard greeting and goodbye terminology
- Standard offer of assistance using specific terminology.
- Booking request questioning sequence (When are they looking to stay, How many People, etc)

Quality questions are the key when it comes to increasing sales conversion rates. They give you control of the conversation, they allow the guest to do most the talking (and feel like they are being heard) and they buy you some 'think time' while you process their requests in line with your yield/sales strategy.

Awareness/Communication

Making sure frontline staff, have ready access to critical information such as rates, availability and historical data (such as some of the items outlined in the previous sections) is key to making the booking process streamlined. Speed of response is important, and equally giving staff the ability to respond with the right information at the right time pleases not only the guests but ensures best pricing decisions are being made.

Authority & Upselling

Making sure your frontline staff are given sufficient authority to make pricing decisions on the spot. This is especially critical over the phone as you only have a matter of seconds to convert a booking enquiry to a confirmed booking. If your staff are asked for a discount and don't have immediate authority to apply the discount (within your guidelines of course) then, it is likely you won't be securing that booking. Also providing the guidance on how to upsell and the encouragement to do so.

Pricing Floors & Ceilings (Frameworks & Scaffolds)

Equally, giving you team structures and guidelines to operate within, sits at the heart of any yielding strategy. So we encourage you to set up a framework for your front office staff to work from. Depending on your property, this framework may be adjusted, daily, weekly or monthly, but provide staff with a defined pricing floor and a defined pricing ceiling to operate within for given booking dates. Your PMS (property management software) can play a key role here in providing the structure required for dynamic pricing implementation.

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Section 2.

Owning the Local Footprint

Database Development

One of the very first things we consider critical to any accommodation business sales strategy is building your own local database of businesses, organisations, attractions and groups that are in your immediate area and have an obvious logical affinity to your property for when they have people coming to town.

So, step 1 is to build the database and then step 2 is to decide how you will foster the relationship with those on the list. Does it involve face to face meetings, direct mail, personal door knocking, invitations for site visits and so on. There are many ways to approach this, but in simple terms you are trying to be top of mind when accommodation needs arise.

Owning Your Patch

Having and working a database is one thing, but it's really about taking a proactive approach to owning your immediate local area.

Have a **VFR Strategy** (Visiting Friends and Relatives). In most regional areas the VFR market makes up around 30% of visitor travel and a large percentage of these choose to stay in paid accommodation. This runs closely behind "Holiday" as being the major reason for travel. So, even if you are not in a typical "Holiday" destination, it makes sense to tap into this market.

Idea - Hold an Open Day and invite local residents to check it out. Put on free morning tea and a snag on the BBQ. It will get you top of mind. Present a special coupon code for local connections. Something like, "INTHEKNOW". Perhaps you could put up a quarterly prize of a nights accommodation for any referrals provided to your business. The main thing is, connect with the locals and make sure they know about you.

Old School **Direct Mail** to local business houses is still a good option. Again promoting your unique product and why you are a good fit for their travellers. Why you – perhaps a red hot rate! Perhaps it's for those that want a better product – depends on who you are and the market you are appealing to. But hitting the locals is a great place to start to build your local clientele by tapping into the VFR market.

Maximising your Location

What's around you? Can you leverage off facilities or attractions, form partnerships and the likes? Are you near a major Hospital or medical precinct? Are you near a major tourist attraction? How does that change your marketing, and who should you be trying to meet with to foster relationships and work out win/win partnership arrangements?

For example, here's a simple one. Let's say there is coffee shop right near your property. Assuming you don't do coffee yourself onsite, why not develop some free (or discount) coffee cards at that coffee shop that you can surprise your guests with as you see fit. This will drive business for the coffee shop of course and demonstrate that you are clearly supporting them. In return, you simply ask that they refer business to you for anyone asking about accommodation. Perhaps they can hold some brochures for you or even better, do up "coffee customer" special rate card. Customers of "XYZ Coffee Shop" receive 5% off the best available rate (as an example).

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This is just one simple idea, but it's just about leveraging off what's around you. Forming partnerships and loyalty amongst your neighbourhood is a positive move.

Work with your Competitors

What? You might say. That's right, work with your competitors. Typically, the key reason for choosing your property is location. And so when you (or your competitors), fill your property on a given day, people are still looking to stay nearby. And so when your competitors full up, wouldn't it be nice if they recommend your property as opposed to another?

So, the way to achieve this is quite simply through having a great working relationship with them. If you are at odds with each other it is unlikely you'll recommend each other isn't it? A gentle way of firming this position up is to:

1. Spread the business around a handful of your competitors (don't just recommend the one property all the time)
2. Ask the potential booker to mention that "You Sent Them"
3. Send a quick email to reception/reservations/owner each time you recommend someone to them.
4. Better still, if you have time help facilitate the booking directly with the guest on-site/over-the-phone. This will help ensure they know you referred business to them and being this helpful also may help get the guest back to you next time!!

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Section 3.

Corporate Strategy

Focusing on the Corporate or Business travellers is an obvious choice for most large hoteliers, but where does a small to medium independent start? In your business, you probably refer to them as 'regulars' as opposed to 'corporates'. Either way, the question is, how do we get more of them? What is the strategy?

Small Business

For smaller businesses with travel needs of themselves and their staff, the decision of 'where to book' often lays with the guest themselves rather than a head office or departmental function. This is either through travel allowance function or simply because they own their own business. So, the philosophy around capturing the business' accommodation needs, requires any program to be much more informal and friendly.

There are many directions you could take with this, the important thing is it needs to be personalised and based upon relationships.

So the concept is that some of your corporate business clients you will offer (and honour) negotiated rates and rest of the "Business" segment will be subject to your publicly available 'yielded' rates. You may even just cater to this sector solely through advertised corporate rates. This could be managed by providing travellers with a "Corporate Rate CODE" they can use to book direct on your website booking engine.

Any efforts into this space should be clearly aligned with the demographic that best suits your hotel. Eg: 3 star motel will likely be aimed at the 'Tradies' market. A 4.5 star CBD property at the 'Corporate' end of the market.

Medium Corporates

The larger the organisation gets, the more valuable they can become to your business in terms of total potential room nights. So with the increased potential, you can afford to invest some more time and resource into this segment. Here's a few different ways to think about developing your business accounts;

Are we getting **whole of wallet** from each corporate guest? That is, every time they come to our city, do they stay with you 100% of the time? If not, what would it take to get the whole of wallet?

Are we getting **whole of business**? That is, are their other people within the same company as our existing regular guests that also come to town, but don't stay with you? If so, how can we broaden our reach within the company itself?

New business attraction is about finding new businesses that are already coming to town, but don't stay with you. How do we find these companies and who do we talk to about their travel plans? Is the guest the best person to speak to or is there a booking/admin department that handles those sort of dealings.

New Projects within your city also typically garner greater accommodation demand particularly in the short term, but also can give you a foot in the door with new clients who become permanent stayers. It is

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important to keep your ear to the ground and be proactive in contacting the involved companies well before their accommodation needs become a reality.

In all cases, it really comes down to who is in control of the decision making and who's ultimately paying the bill. That is the person we need to be talking to. So we must be constantly looking for opportunities to connect with decision makers so we can make high value offers to them. Building a strong base of corporate clientele who book in advance, helps to keep occupancy forward bookings higher, and opens up opportunity for yielding in the transient and online markets.

Large Corporate Contracts (Agreements)

And so, for the even larger companies with travel bookers/negotiators, it is usually about entering into a formal agreements whereby you understand the 'whole of wallet & whole of business opportunity' along with the desires of the company and how they want their people looked after. You then capture as much of that business as possible through a formalised, high value offer (or contract). This should be reviewed at least annually and renegotiated depending on performance. This is straight forward Key Account Management 101 (KAM). Arrive at an agreement, monitor and review, revise and re-engage.

Here's a simple example to explain:

XYZ company has 3 people that regularly travel to your city. Executive #1 visits every month for approx. 3 nights and Executive #2 & #3 each come quarterly for 2 nights. So,

Exec # 1 12 visits x 3 nights = 36 nights pa

Exec #2 4 visits x 2 nights = 8 nights pa

Exec #3 4 visits x 2 nights = 8 nights pa

TOTAL anticipated Room Nights per annum = 52

You then would ask what the expected compliance on that would be, and let's say that the staff don't always stay at the 'preferred' hotel or perhaps sometimes trips have to be cancelled, so you come to an agreement that you expect say an 80% compliance on the projection. 80% of 52 = Total expected room nights of 42.

You then formulate, and offer a rate with/without inclusions that you think will attract the business, and if agreed to, you ask them to sign a simple 12 month agreement. This is not a contract that would stand up in court, just an understanding between the two parties. Then you review after 12 months and renegotiate based upon the performance of the account and the satisfaction of the guests.

It's a great way to harness some commitment and known outcomes from your business client base.

You may, or may not, include some 'close out' periods where by the corporate rate offered is not available and they would revert to the BAR (Best Available Rate) of the day. This is used to preserve yielding in your peak periods. However depending on the size of the client, this condition may be waived. Basically you can build anything you like into the agreement. The key is mutual understanding, providing a valuable service and keeping an open dialogue for review and change.

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Section 4.

Conference Strategy

An extension of the corporate market is the lucrative conference market where volumes of business people come to regions/towns for business meetings, seminars, workshops, expos and the like. Conference size can vary from very small to very large, but either way it typically involves multiple travellers, staying multiple nights and the maths adds up very quickly when it comes to filling your rooms supply.

If you already have some form of conference/meeting facility on site, you no doubt are already trying to tap into this market. However even without onsite conference facility you can look to maximise this opportunity for yourself. Here's some ideas;

- Keep an eye on local media to see advertisements and stories about upcoming business gatherings. Speak to the organisers about offering special rates, perhaps target some prospective attendees direct.
- Speak to local clubs and event hosts about their upcoming calendar of bookings. Identify opportunities that look like attracting external travellers.
- Place specials on your website or place some PPC advertising (Search Engine or Social) leading up to large events.
- Monitor the demand for your property over any upcoming conference dates and use it as a yielding opportunity if you already have significant business on the books.
- Create a page on your website dedicated to looking after the business conference market. This is great for SEO as well as direct appeal and information for potential bookers.

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Section 5.

Leisure Strategy

The leisure market is often deemed far more elusive and harder drive from a 'sales' perspective, than the corporate market. The number one reason for travel in most areas is typically 'Holiday' with it accounting for around 44% of visitors nights in NSW in 2015-16. So it is critical you get your fair share. Your leisure sales strategy is often largely left up to your online visibility and the offers you are putting into market place, waiting for that frugal travel shopper to find you, like you and book you. Following the information we have put forward in these earlier modules, your marketing efforts will have been put you in good stead here. However you can be even more proactive than this to ensure you are getting your fair share. So aside from entering into a discounting war (which could be deemed a fair assumption to make in low demand periods), here are some ideas that will help bolster your underlying demand beyond the transient/walk-in guest.

VFR/Transient

As mentioned earlier the VFR (Visiting Friends and Relatives) market is a major driver of visitor nights which leads to a reasonable percentage of these choosing to stay in 'paid' accommodation. We outlined earlier in section two, a strategy to tap into the locals with a loyalty offer/incentive. Aside from that though, you should probably leave the rest of this up to your marketing and word of mouth.

Geographic Marketing

Assuming that your PMS is kept relatively accurate and up to date, draw some data off the system with the aim to identify your top performing geographic areas. This should give you some clues as to where to develop your next marketing campaign. Remember the old 'Pareto's Principle' (the 80/20 rule). Eighty percent of your business will come from twenty percent of your clients. So focus on what's working and try to take it to the next level.

Packages & Experiential Marketing

For years, packaging your product with local attractions and products has been a great way to get your message out there. As a twist on this there is big trend towards what's called experiential marketing. This takes packaging to a whole new level and really is only limited by your imagination. Check out this great article for some inspiration. <https://www.factory360.com/experiential-marketing-for-hotels/>. The idea is to create a unique, fun, meaningful or materially rewarding experience they'll remember for a long time and likely tell a lot of people about it. It's like an inside out approach. People come, enjoy exceptionally, remember, then tell or share! Let the experience do the talking (or marketing) for you.

Weddings

Not only weddings but parties, family gatherings and school reunions can all have an impact on your demand if you can manage to get in front of them at the right time. Keeping an eye on engagement announcements in local media and social platforms. Monitor hashtag activity for [yourtown]

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[wedding]/[engagement]/[reunion] is a great way to get the heads up. You may like to approach people direct to see if you could show them your property for them or their guests.

Large/Key Events

Keep an eye on your local calendar for key events, full stop. This should be almost weekly if not at least a monthly agenda item. Keep a calendar of these events either physically or in your PMS and ensure you are yielding your property accordingly well in advance of when these events occur. You may see opportunity within some of the events to contact the organiser direct to offer rates or arrange sponsorship deals, but typically it is more about setting appropriate pricing based upon anticipated demand fluctuations.

Section 6.

Group/Travel Agent Strategy

Similar to the conference market, focussing on groups (non-business) may also be a strategy you'd like to adopt. Often group business is directly related to discounted rooms, however with the volume comes the pay off.

Equally dealing with travel agents, offering competitive (commissionable) rates, and developing these relationships can build great 'base' business which allows you to yield your property through easier forecasting of when demand seems strong.

How to go about this? Well, it is important first to consider the impact of how group or high volume business will affect your overall profit. Having some base business at discounted rates is good, but have too much is detrimental to revenue, revpar and ultimately the bottom line. Sure you might increase your occupancy but are you profitable?

So, make a decision about how many rooms you would like to fill with this style of business, and then start talking to Travel Agents, Tour Groups, Sporting Clubs, Social Clubs, Car Clubs and the like about coming to your region.

You also need to ensure there is a reason for the travel in the first place, so looking into some of the areas we've mentioned earlier in this module (conference, events, sporting occasions, tourist attractions), and really these have to be the catalyst for coming in the first place. You simply offer them a great place to stay at a great rate while they are here.

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Section 7.

FRAMEWORKS

Explore the frameworks for Module # 7

Logon to the Hotel Growth Gurus Portal and download the available FRAMEWORK files.

Use the STRATEGY SELECTION TOOL to decide which frameworks to add to your MASTER HOTEL STRATEGY & Action Plan

FRAMEWORKS Module #7

#	Name	Type	
1	Frontline Cheat Sheet	Action - Template	
2	Corporate Contract Template	Action - Template	
3	Key Account Management	Action Template	
4	Sales Levers	Resource	

Click on the Hyper Links

Sources

Section 2 – VFR Market Stats - DESTINATION NSW ANNUAL REPORT 2015–2016

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Section 5 – Leisure Markets – Reason for Travel

<http://www.destinationnsw.com.au/wp-content/uploads/2014/04/Total-NSW-snapshot-YE-Jun-16.pdf>