

Change is the Buzz - Rebooting Hotel Sales Activity at the Property Level - By Carol Verret

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The Washington Post reported on December 31 that Marriott stock declined by 31% in 2007 -- should we be worried? Concern is an appropriate response. As the disposable income of leisure travelers is pressed by increasing gas prices and declining home values, business travel may be suppressed by a contracting economy constrained by declining profits and subsequent falling share prices in many market sectors.

The research is mixed on the impact of developments in the economy on the hotel industry in 2008. PKF produced a forecast of relative optimism based upon limited new supply and a slowing economy. However, the prestigious researchers also hedged their bets by producing a forecast based upon a hypothetical recession. Given the decline in the jobs market last week, we may want to revisit PKFs 'hypothetical' recession scenario.

If the leisure and corporate transient markets decline, the pressure will be on hotel sales departments to increase group sales. If the cold call is ineffective and '...the consumer has taken control', due to the influence of social marketing including the impact of review sites as was suggested in a recent HSMIAI conference, how does this impact the processes of hotel sales departments?

What changes about the activities engaged in by hotel sales people when they come to work in the morning? This is the first full week of work in 2008 - the strategies and subsequent activities pursued in this first week may well set the standard for success or 'challenges' for the entire year.

New Business Development Redefined. It becomes critical to have a clear picture of the 'ideal client' by market segment. The exercise of developing the DNA of the client that fits the objectives of the revenue management strategy for each segment and opportunity period focuses the sales effort and becomes the filter through which leads and inquiries are evaluated. (It also minimizes the haggling between sales and revenue management!) Develop strategies to approach new prospects and position the hotel on these potential clients' radar screen. Be at the top of their minds when they are ready to 'buy'.

Research and Evaluation. The time spent on researching potential clients on the internet and other resources is time well spent. Many sales people that are evaluated on the number of client contacts per week fear that the time it takes to do this research is not accounted for in the activity reports. It is way past time that sales people are evaluated on the quality of the contacts made and into the quantity. Bear in mind that two quality contacts a week is still unacceptable!

Apply the 'Filter' to the Database. Time spent on accounts that no longer fit the 'ideal' DNA for the hotel is time wasted. Routine traces on these clients should focus on qualification and they should be re-prioritized based upon the new information. It is all too comfortable to spend a great deal of time on simply contacting old clients as the trace comes up.

Account Mapping. One of the best sources of new business is from existing accounts. However, this is rarely done in a systematic manner. I engaged in a coaching experience with a client who was given the task of account mapping a University close to the hotel. A systematic approach was developed to ensure that every contact within that account was identified and qualified for every piece of potential hotel revenue. More on this process in a later article.

RFPS and Inquiries. Apply the same filter to these opportunities. To those that fit the DNA profile, respond quickly, completely and creatively. Politely decline those that don't - don't waste time responding in detail to RFPs that don't match the objectives. The meeting planner will appreciate the fact that you haven't wasted their time either.

Prioritize and Plan Activity. The ultimate measure of activity is to focus first on those things that have the potential to produce revenue - everything else can wait! Commission sales people understand this and prioritize their activity and prospects by likelihood of 'close'. Laser focus is required to plan each day executing activities that will 'move the ball down the field' toward the revenue objectives. A good DOS will work with the staff to ensure that they are investing time in revenue generating activity.

Many markets have already felt the impact of a slowing economy - others have been impacted by new supply. In both scenarios, the pressure will be on hotel sales departments in a way that many hotel sales people have not experienced in the recent past.

Change is the new buzz - changes in the economic environment should prompt changes in the way hotel sales is done if the hotel's revenue objectives for 2008 are to be met.

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