



Resort hotels: The new emphasis on total guest revenue

Predictions of a 5% growth in leisure vacations along with recommendations to focus on total guest revenues highlighted the 6th Annual Resort Management Conference presented by the Hospitality Sales & Marketing Association International (HSMIAI), the University of Denver School of Hotel, Restaurant and Tourism Management (HRTM) and the International Resort Managers Association (IRMA) at Pinehurst Resort, North Carolina, last week.

The latest research and travel trends, success stories and best practices, marketing innovations and new operational ideas headlined the agenda for a record number of 202 attendees representing nearly 50 independent resorts and 17 management companies and ownership groups.

"This year's Resort Conference not only had a record attendance, but had the highest evaluation scores of any of the five previous conferences held to date," said Robert A. Gilbert, CHME, CHA, president and CEO of HSMIAI.

"The 2008 Resort Management Conference delivered outstanding programming to educate and inform, as well as unprecedented attendance for networking," said James H. Johnson, executive director, International Resort Managers Association. "In just a few years, the Conference has become an industry 'must-do,'" he added.

"This conference, produced as a cooperative partnership between HSMIAI, IRMA and our Hotel, Restaurant and Tourism Management school, brought together three entities that resulted in an outstanding event for all delegates," said Peter Rainsford, director, School of Hotel, Restaurant and Tourism Management, Daniels College of Business, University of Denver.

General Session: Travel Trends

Peter Yesawich, president and CEO of Yesawich, Pepperdine, Brown & Russell, predicted a 5% growth in leisure vacation travel as he presented research about both business and leisure travel trends including:

- Predicting 5% growth of vacationing in America in the next 12 months (37% say they will travel the same amount, 29% said less, 34% said more).

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- Of the 29% who said they will travel less, 25% cited household economic conditions, and 24% said they are not able to get away from their job.
- Time poverty is continuing to reinvent the way Americans vacation.
- Family travel is the only category of leisure travel that is increasing with more parents traveling with children including some as extensions of business trips.
- In the latest Travel Monitor, 36% took vacation with kids, and 61% of parents said they were willing to take their kids out of school for a vacation.

"Volunteer Vacations is a new category and a growing number of people have taken a vacation to help the less fortunate or support a cause," said Yesawich.

"Group meetings are shorter – therefore more accessible locations are doing better," noted John Beckert, president & CEO, Club Corp, Inc.

As family vacations continue to grow, "it is very important for us to offer both family time and adult time for families on vacation," said Dr. Richard Kelley, chairman & CEO, Outrigger Hotels and Resorts.

Meanwhile, a cautionary note was issued that "our biggest challenge is that our sale is a personal sale, but there is a lot of turnover in those sales people," said Charles S. Peck, president & CEO, Destination Hotels & Resorts. "Talent is the biggest issue and the pool of talented/qualified people is not growing," Peck said. "As an industry we need to address that," he urged.

Jan Freitag, director of client services, Smith Travel Research, gave this analysis of the state of the resort industry today:

- Life is good, but we are not quite back to the heydays of the mid 1990s, mostly due to the amount of inventory that has come online in the last 10 years.
- We think rate growth is here to stay for at least the rest of the year, and probably next year.
- Occupancy still has a ways to go to recover.
- Our occupancy forecast for resorts in 2008 is 64.3% and 8.0% RevPar growth.

Maximizing Ancillary Revenue in a Resort: How to Find Your Hidden Sources

Capitalizing on potential revenue sources, discovering hidden potential revenue sources outside and within the resort business unit, learning about everything

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from outlet point of sale incentive programs to comprehensive retail strategies and the marketing concepts that drive them is what experts shared through case studies and best practices of successful resorts.

"There is a new emphasis today on total guest revenue," urged Terri A. Haack, vice president and managing director, Wild Dunes Resort & Destination Hotels & Resorts.

Recommendations for increasing ancillary revenue came from a number of panelists including:

Pam Streeter, vice president of electronic distribution, Interstate Hotels & Resorts:

1. Try to capture ancillary revenue at the time of booking by allowing guests to make reservations for ancillary services (spa, golf, restaurants, etc.) online at the time they book their stay.
2. Make sure information about these services and information about how to book are very visible on your Web site.
3. Allow people to prepay when they make their reservations for things such as telecommunications services (Internet connection, phone calls, etc.), pet care, in room gaming/movies.

Stephen H. Baldwin, president, Stephen H. Baldwin Retail Development Co., noted that shopping is the number one leisure activity in the U.S. and suggested:

1. Create concepts that are right for your property.
2. Create spaces that are custom in look and feel.
3. Overdo your packaging.
4. Create a market concept to have people fill their own minibars.
5. Offer gift cards online, at resort, and with local retailers.

Jaime Huffman, executive director, Grove Park Inn Resort, suggested that "Your spa should be a full sensory experience, should be relaxing, pampering and not a hassle." To maximize profitability:

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1. Choose the right treatment mix.
2. Know your cost of treatment.
3. Use suggestive selling.
4. Educate employees to do this.

Tjibbe Lambers, marketing & promotions manager, Hershey Resorts, said "To maximize revenue we try to free up parents to do other activities such as spa, golf and dining, and to do this we opened a kids club." He urged hoteliers to "look for opportunities to add value to the experience that is in keeping with your resort."

Resort Best Practices Initiative

A well-attended session on Resort Best Practices, headed up by Cindy Estis Green, managing partner, The Estis Group, exposed delegates to an assortment of examples of Best Practices, details of some of the findings of the first study on Internet marketing, and an overview of results to be released on the recent CRM study.

Members of the HSMAI Best Practices Initiative gave the following examples of actions they have taken as a result of the Internet marketing study.

- Barry Brown, director of sales and marketing, Sanibel Harbour Resort & Spa, said "The findings helped us to lay out a 24-month improvement plan for our Internet marketing efforts."
- Tjibbe Lambers, marketing & promotions manager, Hershey Resorts, said "We are now partnering with Google to do search engine optimization."
- Frank Fredericks, vice president, sales & marketing, Wild Dunes Resort, said "We came away with nine takeaways, including adding e-confirmations and interactive proposals."
- John Washko, director of sales & marketing, the Broadmoor, said "We have realized we need to bring our online silos together."

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About Hotel Traffic Builders (HTB):

We are a full-service digital marketing agency dedicated to the boutique hotel & residential resort industry.

Our mission is very simple: ***"To maximize sales success by providing our clients***

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with exceptional internet marketing results".

Our clients consistently enjoy industry leading success because of our dedicated focus and experience. Our use of state-of-the art tools, best in class technology and wealth of industry experience enable us to provide full solution applications. We recognize that our clients are experts at running their hotels, and our role is to develop and maintain online marketing leadership for our client hotels.

We differentiate ourselves through:

Industry Expertise

We have a singular specialized focus on boutique hotel, resort and vacation home e-Marketing. Our sole goal is to be the best at what we do by ensuring maximum success for all of your e-marketing activities. Our 52 person design and development technology team delivers unparalleled quality and results. Our sole focus is resort marketing.

Individual Customized Creative Approach & Solutions

Every client has unique needs, opportunities and priorities, our e-Marketing plans are always custom built and based on in-depth research of your specific hotel.

Cutting Edge Technology

We use proprietary state of the art tools and applications that enable project efficiency, measurability and success of your e-marketing. We not only promise success, we document it in a 24/7 real-time secured private reporting platform that we create for every hotel client. Our clients never wonder about how hard their marketing dollars are working because they always know!

Return On Investment

The true measurement of our success is our proven ability to deliver reservation bookings. We grow booking results year over year, and we grow advance bookings, which result in higher occupancy levels and ADRs.

Contact us at: www.HotelTrafficBuilders.com or call us **954-421-6399**