

Hotel & Motel Management
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The Sales Clinic
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SMALLER PROPERTIES HAVE A DISTINCT NEED FOR SALES PLANS

There is no question about the fact that more hotels are being built each year. While the rate of construction varies by market and location, competition is still growing almost everywhere. Not many hotels are being converted into other uses these days, nor are many closing their doors. Add all this together and one finds that the pressure to find and keep customers continues to grow.

Owners and managers of smaller properties must look at time and effort as a realistic cost of reaching success in their hotels. Because many smaller hotels do not have a full-time (or even part-time) sales person, the owner or manager must undertake that responsibility. Leaving it to the “brand” alone to bring in profitable sales is not sufficient. Of course, brands do a great deal in the area of sales and reservations for their franchisees, but there must be some local, hands-on sales effort, in addition, to bring success to a property. The smaller hotel management must be able to identify meaningful market research, determine avenues for effective public relations and promotions, and still find the time for some direct sales effort. To accomplish this effectively, there needs to be a plan. A basic plan can identify the kinds of business segments (markets) that currently exist at a property, such as: corporate overnight guests, youth sports groups, motor coach tours, leisure vacationers, truckers, etc. The plan also needs to identify which of these different market segments would be the most logical and profitable business to go after for future business. Once the markets that are accessible are identified, the strategy can be developed to promote those market segments that are meaningful from a volume (occupancy), and profit perspective.

Some hotels have been hiring local college students or parents seeking part time employment while their children are in school. These options have proven to be very cost-effective, and there are success stories in virtually every brand and region of North America.

Another area of involvement for owners and managers to get more business is to become active in local community activities, and to make a certain number of sales calls by phone and in person on a daily basis. Involvement in local activities gives one the reputation on being the local hotelier or go-to person. It will require some volunteer work on committees or public service projects, but it reflects ones interest in the community and is a valuable public relations tool

If a manager/owner will commit enough time to make 5 to 10 calls per day, that would equal up to between 250 to 500 personal contacts per year. This personal networking, while cost effective, should likely yield substantial business. One of the problems in connection with this is that management/owners at many small properties become so involved in operations that they end up working the desk or housekeeping or other areas of operation so frequently that they seldom have time for community involvement or sales. This may be some saving of labor costs; however, it is at the risk of losing the long-term profitable effect of marketing and selling.

Effective operators of smaller properties will dedicate at least 25% of their time (week-day, prime contact hours) to networking and selling. Hoteliers who do not either handle this critical responsibility themselves or insure that it is handled by someone competent, run the risk, of their investment failing. It is an unnecessary failure.

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