



Hotel Executives Share How Operations Have 'Relentlessly Focused on the Now'

CEOs at Hunter Conference Feel 'Shredded to Pieces' While Rebuilding Industry



David Kong, president and CEO of BWH Hotel Group, speaks on a panel during the first day of the 32nd Hunter Hotel Investment Conference in Atlanta on May 10, 2021. (Stephanie Ricca)

By [Dana Miller](#)
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The last 14 months have been an unprecedented challenge for the hotel industry, but the COVID-19 pandemic has also presented itself as a time of clarity for hotel executives

determining the purposes and best practices for their organizations, speakers at the 32nd Hunter Hotel Investment Conference said.

Speaking during the "C-Suite Conversations" panel of the conference in Atlanta, Carlos Flores, president and CEO of Sonesta International Hotels Corporation, said the global coronavirus pandemic turned into opportunity for him as a leader.

That focus, in addition to the health and safety of its employees, has been the scale potential of his organization.

- [For coverage of Sonesta's first quarter 2021 earnings, click here.](#)

"Crisis provides a tremendous amount of clarity," he said. "It's really about leading and driving, as well as making sure that we're being smart, not keeping our eye off the ball of the health and safety of our employees and guests," he said.

David Kong, president and CEO of BWH Hotel Group, said the entire industry was forced to make decisive and often painful decisions at the onset of the pandemic.

"We try to put on a brave face on the outside, but inside you're just shredded to pieces," he said.

Kong's team realized it was crucial to provide its hotels with guidance on operating and helping them tap into government subsidy programs.

BWH also focused more attention on its sales and marketing efforts as its customer base shifted dramatically.

"We certainly pivoted in terms of sales and marketing. At this point, it is about recovery, it's about maximizing the market share of our companies," he said. "Next week we're going to launch a big ad campaign; we're going to have very rich promotions."

Jim Alderman, CEO for the Americas at Radisson Hotel Group, said leveraging relationships has become paramount to survival.

Liam Brown, group president of the United States and Canada for Marriott International, said he was in London when lockdowns began last year and had to navigate closing hotels across several countries.

"The one thing I think I've learned and have a deep appreciation for is the gratitude for the people who work in this business and make it happen on a day-to-day basis," he said.

There is no playbook to pull off the shelf when closing hotels at the onset of a crisis, he said, but it's been remarkable to see how resilient the industry has been.

"I think we just were relentlessly focused on the now, what we've got to deal with today, what might be next, trying to anticipate what that might be with an eye to the future and how do we make sure that we navigate through this," he said.

Leisure Bookings Improve, While Business Transient Lags

As vaccine rollouts continue, Alderman said Radisson's hotels improved both week over week and month over month in April.

June has healthy bookings, and several postponed weddings are returning as well as fall bookings for small- and medium-sized corporate travel, he said.

Sonesta's Flores said April fared much better than March, albeit weekends are still trending better than weekdays. Inquiries are "through the roof," however.

And while that optimism is there, he said the rest of the world still holds uncertainty.

"The wise will be prepared for that — hope for the best and plan for the worst," he said.

"With Sonesta and what we've done over the last year and our scrappy nature and tenacity, probably marked by our historic market position, I think we're in a great position."

To win back business transient demand, Brown said the critical piece to the formula is the continued reopening of offices and getting kids back to school.

Kong said in two weeks, BWH will begin requiring its employees to return to office full time. He said the hotel industry must demonstrate leadership.

"It's going to be a transition for many of our associates, it's not easy for them to have to care for children that are school-age. We'll make allowances for that but we want to send a strong message, and we want to demonstrate leadership in that regard," he said.

BWH will hold a 200-person town hall in Dallas, which Kong said will demonstrate that it's safe to travel for meetings.

Hotels must maintain elevated cleaning and sanitation programs in order to give companies the confidence to send their employees on business trips, he added.

Trends To Stick Around

In terms of operations, hotel executives were forced to make significant changes on what they will provide.

Kong said the pandemic has sped up some of the trends that were already present pre-COVID-19, such as the adoption of mobile and other technology.

"In 2019, we saw a pretty healthy increase in mobile bookings but in 2020, in a pandemic year, the mobile bookings were up 30-some percent," he said. "We have to really spend a lot of money to capitalize on that trend."

BWH uses mobile to upsell. For example, on the pre-arrival message, the app will give guests the option to choose an earlier check-in time for a \$10 or \$20 fee. The same goes for later check-out.

"You'll be amazed at the adoption rate ... you wouldn't believe the amount of money we can make with that," he said.

Not only has the texting platform at BWH been an effective form of communication with guests, Kong said it's also dramatically enhanced communication with housekeeping and

maintenance staff.

Labor Pressures

At first, the challenge was finding customers. Now, that has shifted to not being able to find employees.

"It's definitely been a challenge, and that's a bit of an understatement," Marriott's Brown said, which is driven by many variables.

He said its a combination of getting people to feel safe enough to return to work, and even more daunting is many associates have left the industry altogether.

"Many of the biggest employers in the U.S. have moved to a floor of \$15 an hour," he said, adding each individual hotel must have a creative strategy in place. Some of Marriott's hotels had success with partnering with local job fairs and even asking associates to recommend family or friends.

Since October, Sonesta has hired more than 5,000 people, and some employees who were with the company prior to its [wave of conversions for affiliated real estate investment trust Service Properties Trust's hotel portfolio and the acquisition of RLH Corp.](#) have earned promotions.

Flores said staffing for the summer season will prove to be a challenge. Creative solutions will dampen the issue but not completely solve it.

"There's some realities that are going to have to settle in and it will take awhile for us to digest as an industry," he said. "But anything that we can do to lessen the burden on the hotels, we try and do day in and day out ... allowing them to free up other people within their operations to get the job done."

Kong said hotels are fighting for the same labor pool as restaurants and other industries. One of BWH's hotels in the Grand Canyon will be severely affected by the lack of J-1 Visa employees as it gears up for a busy summer.

"They're going to be forced to shut down some of their rooms as a result, which is a shame," he said.

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