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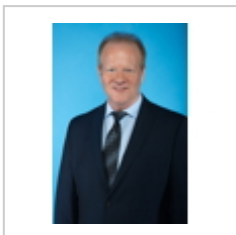
HOTEL SALES TRAINING

HOTEL SALES - ARE YOU GIVING YOUR GUESTS ENOUGH REVPAH? - BY DOUG KENNEDY

🕒 April, 4 2017 ✍️ Doug Kennedy



Are You Giving Your Guests Enough RevPAH?



As I often say in my hospitality workshops, we in the hotel industry are in a very unique business of selling space and time, so we had better be REALLY good at the intangibles. Although we charge them for rooms, the guests are buying an overall experience that is made up mostly of human interactions. With hotel brands so quickly copying each other's amenities, services and décor, just about the only point of differentiation is the human engagement delivered by the people we call colleagues.

In the hotel business we measure our RevPAR, which everyone knows is Revenue Per Available Room Night. Fortunately for us, our guests do not use a similar equation to evaluate their hotel stay, which they might call RevPAH, because even at an economy hotel the RevPAH is exorbitant at times.



What is RevPAH? It is Revenue Per Awake Hour. Let's take a closer look. First, the official check-in time for most hotels is 4pm, with check-out at 11am or possibly Noon. Ironically, the fancier the hotel the more likely it is that we kick them out the door at 11am, giving our housekeepers time to service all those nifty features, replace the fancy amenities and fold the towel into an animal shape. So the total awake time is at most upscale hotels 19 hours, assuming they arrive right at 4pm.

Next, let's subtract a good night's sleep which is perhaps 8 hours. Then take out the time they spend doing whatever it is that brought them into town in the first place. At most hotels the average numbers of "Awake Hours" a guest might spend might be 4. Now depending on where this upscale hotel is located at, whether there is a hotel fee or charges for basics such as Internet and parking, and what the local and state taxes might run, the revenue could be quite high, easily reaching several hundred dollars just for the room. Yet let's just keep it at a nice even number of \$200, bringing us to a RevPAH of \$50 per awake hour for those 4 hours, which breaks down to about .83 cents per minute or 1.35 cents per second. Drop those pennies into a piggy bank one after another and it would sound like a jackpot on a slot machine.

If you are in a major metropolitan area or resort destination, chances are your RevPAH is much higher. Of course if you are an economy hotel in small town suburbia your rates might be much lower than \$200 and therefore your RevPAH might be less. But for your guests, it is all relevant to their personal travel budget. Another of my mantra's is that "The Super 8 is somebody's Ritz-Carlton." For guests on lower budgets, the dollars to them are as big or bigger of an expenditure as they are to guests with more economic means.

To take this concept of RevPAH further, let's think about what we give those guests at the end of their stay... NOTHING! Well, maybe something – a nice pen and some fancy soap bottles.



Those who understand what the hospitality business is all about know that the truth is we give them something much more important than a physical "thing," which is a fond memory of an emotionally based experience. But only if we focus on creating hospitality excellence at each phase of the "guest circle of life" of their stay.

So at your next revenue management meeting or front office pre-shift huddle, when you review the latest RevPAR numbers take a moment to switch your mindset to the other side of the front desk or the other side of the guest room door. Pause to consider what RevPAH guests are receiving for whatever it is you are charging.

- by Doug Kennedy

- April 2017

About Doug Kennedy

Doug Kennedy is President of the Kennedy Training Network, Inc. a leading provider of hotel sales, guest service, reservations, and front desk training programs and telephone mystery shopping services for the lodging and hospitality industry. Doug continues to be a fixture on the industry's conference circuit for hotel companies, brands and associations, as he been for over two decades. Since 1996, Doug's monthly training articles have been published worldwide, making him one of the most widely read hospitality industry authorities. Visit KTN at www.kennedytrainingnetwork.com or email him directly doug@kennedytrainingnetwork.com.

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