



For **independent hoteliers** and owners of guest houses, B&Bs and pubs with letting rooms



## Michael Cockman's **Hotel Profit Systems**

**Sell more rooms, make more profits and have more time for yourself**

### **7 Ways To Grow Your Accommodation Business**

As any hotelier knows it takes thousands of actions to make a successful hotel business. So what's so special about these 7?

I think they are special because there are only seven. It's all very well having a huge list of actions 'to do'. I would rather see a few good tactics actually implemented. Far better to really embed one or two effective activities into your business than have a long list that never gets done.

So here are my current top 7 priorities.

#### **1 Adapt your product to changing demographics**

Are you aware that the population 65 years and over is going to double in the next 25 years? In the traditional developed world seniors are fitter and are living longer, they are relatively active and young at heart. They travel during low and shoulder periods but they will no longer put up with inferior products.

They also put pressure on your facilities because they are fascinated by the destinations to which they travel and really want to explore. They enjoy welcome receptions and like to participate in organised entertainment. But like all generalisations your staff need to be trained not to stereotype this group.

As far as your physical product is concerned you need to take into account the mature market's slight hearing loss, diminished vision, lessened colour perception and poorer short-term memory. They need:

- Better lighting,
- Clearer instructions,
- Accessible switches,
- Adjustable shower heads,
- Non-slip material in bathrooms,
- Easy opening bathroom amenities,
- Easy to read directional signs
- Well-lit parking areas.

But hey, isn't this what everyone wants!

## 2 Train staff to keep up your rate fences

I am convinced that yield management is more of an art than a science but whatever it is there is no doubt that many of the rate policies and distribution channel decisions made by hotels and their corporate offices cause a great deal of problems for the front office.

It is obvious and easy to explain why a sea view is more expensive than a mountain view, that a superior room is more expensive than a standard. What is much more difficult is to explain why a guest should not cancel their booking at \$200 because they have seen your last minute offer at \$100 on the internet!

Here are some tactics to use to keep up those rate fences:

- Wait for the customer to ask for a discount.
- When quoting lower rates always use the highest rate as a reference.
- Always say that rates are 'sold out' rather than 'unavailable'.
- Patiently explain again any special conditions associated with a particular rate or package.
- If they intend to cancel anyway keep the rate but offer a room upgrade instead.

## 3 Avoid these words in your advertising

There are no magic words to use in advertising. If there were, they would soon cease to create their magic as everyone tried to use them. Even 'free' won't fill your rooms in the low season in a resort that is cold and wet.

These are the five words that you should never use:

**Value** – value is in the eye of the beholder and in the appreciation of the totality of the experience. If *you* say that your resort is good value then it is mere puffery and has no credibility whatsoever.

**Service** - everyone says they provide great service; well you are not likely to say that you don't are you?

**Quality** – this word doesn't mean anything unless it is qualified by an adjective. Is it good, bad, excellent high or low? It means nothing on its own and has become so overused as to be useless.

**Integrity** – consumers assume that all hotels operate with integrity so, if they mention it, it must be because they have something to hide.

**Caring** – if you use this word in your advertising you are by implication saying that your competitors don't care. This is seen as knocking your competitor and it makes consumers uncomfortable.

Whenever you are thinking of using any of these words think again and find another route.

#### 4 Instil creativity into your culture

Hotels and resort often fall into the trap of thinking that producing a 'me too' product will guarantee their future. In the short term you may be right but unless you are creative and innovative over time you will be left behind by your more progressive colleagues.

Don't be tempted to think that new inventions or ideas are the product of blinding lights by an individual genius. An invention is usually the product of group intelligence so the more people you can involve the better. Indeed the principle of 'brainstorming' is that each idea, however wild or outrageous, builds on the idea that precedes it.

To instil creativity into your organisation you need to:

- Always go back to basics as a start
- Simplify the definition of the problem that your product solves
- Find the emotion that you appeal to
- Think big
- Take calculated risks
- Collaborate with those both inside and outside your hotel
- Listen to your customers (but don't always expect them to tell the truth)

#### 5 Create and use a Marketing Plan

Studies have shown that businesses that use a marketing plan generate on average 30% higher sales. Yet still many hotels do not have a formal plan. It doesn't need to be a report weighed in kilos, just 3 or 4 pages will do. A plan lets all the stakeholders in your business know where it is going over the next 12 months.

A Marketing Plan, which everyone in the hotel should help to create, looks at 3 areas:

**1 Where are you now?** How do you fit with the competition, how successful are you, why do customers come to you etc.

**2 Where do you want to be?** Look at product changes needed, revenue needs, new markets etc.

**3 How are you going to get there?**

What tactics are you going to employ - publicity, promotions, advertising, Internet, referrals and direct sales? What additional resources do you need?

Of course the next most important action is to review the plan with whoever is involved in sales in your unit (this should be everyone!) Keep the plan fluid but stick to it.

## **6 Test and Track your Marketing Efforts**

There is no excuse for thinking that you might be wasting money on your advertising (if you have any doubts cancel it!). All your advertisements need to be coded and the response measured. Try out different adverts with different headlines and see which works best. There is no place for advertising that doesn't work for its money.

This is particularly true for the Internet. Make sure you order the reports from your web hosting company and see where the traffic is coming from and what each new booking is costing you.

Then consider pay-per-click advertising, using appropriate keywords for your business. All the major search engines have an advertising mechanism. The real benefit is in the possibility of testing all your ads with different landing pages. You can even split-test two different websites of yours to see which generates the best response.

Always give something away on your site in return for capturing a prospects' email address. And then ensure that you do something with the addresses.

## **7 Stop the leaks**

You probably check the roof frequently to stop the rain coming in. You need to do the same with your internal processes to make sure that sales opportunities are not leaking away.

Is your telephone answered by a receptionist who may well be attending to a guest at the same time? What sort of training about your hotel and its capabilities does all your staff who may answer the phone get?

An incoming telephone call or an internet enquiry has cost you a great deal of money and it's a tremendous waste to lose the sales for want of a good system for dealing with it.

A system allows you to repeat the same thing over and over again with the same outcome. Housekeeping has a system so why shouldn't sales development? Actors in plays have a script and they make it seem real. So why shouldn't everyone who answers the telephone? Any disillusion with scripts is because the people reading them have not been trained to use them properly.

Try ringing your own hotel and see how the person answering the telephone makes the room sale, or doesn't. It is all very well knowing that *you* do it well but it must work when you are not there.

This is the key to developing a business that can operate on autopilot. You might not like the food in McDonald's but you have to admire the business model!

**Michael Cockman** is a writer and mentor who helps accommodation providers maximise their room revenue.

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