



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**

### **Why Are Hotel Proprietors Like Ostriches?** or how to honestly analyse your current marketing efforts

Not long ago a client said to me “Well I knew all this already”. I didn’t know whether to be upset or pat myself on the back, since this seems to be the crux of the problem for most hard-pressed hotel proprietors. You are constantly battling with sometimes excessive rents from landlord, the difficulties of recruiting and keeping good staff and the ever-changing competitive environment. Yet everything that you ought to be doing to develop your business is sitting somewhere in your head?

But if you know it already then why aren’t you doing it?

I don’t want to wring too much out of the ostrich analogy but these big birds have a very loud voice, either hissing or a booming roar. While they eat they are on the constant lookout for predators and they can run very fast when the need arises. Maybe some of these attributes seem familiar? But why do they bury their heads in the sand?

The one major lesson that I have learnt during my dealings with hotel owners is not to mention the word ‘marketing’. It seems to be a rude word and it usually involves spending £10K on advertising or it is attached to the word ‘consultant’ and involves the same sort of expenditure but with nothing to show for it except maybe a fat report that gathers dust on a shelf. And yet what most hotels could do with is actually more marketing, and definitely marketing that is relevant to your particular business.

My experience of many owners (of course not all!) is that a typical response to problems around the need for extra revenue is one of these:

- Appoint a manager and hope that he or she will take the problems away and solve them for you – this never or rarely works since the owner is constantly looking over their shoulder and they soon feel disempowered and leave, usually very disillusioned.
- Cut costs, reduce staffing and even maybe take over the chef duties yourself - this is a recipe for disaster since the owner is the only person who can drive business development and they certainly can’t do this after a full shift in the kitchen.

- Do nothing, hope that it is only a blip and things will get better – it certainly might be but you cannot afford to wait and see if it is a blip or a trend.

But we all know that the only realistic and effective action to take if your P&L is looking a bit weak is to increase the top line revenue (assuming margins are OK and customer service is great).

And the only preparation for driving revenue is a thorough analysis of your total marketing effort. You need to look at everything to do with how your business is presented to your target market. Where should you start?

Start with a **vision**. Exactly what are you trying to do? How does food feature in your total offer? What sort of atmosphere are you trying to create? What is your pricing policy and your attitude to value for your guests?

Next establish what are your **goals**? Are you looking to sell the business or the lease in the near future? Do you want to have more time off? Are you trying to raise more funds for further development?

You then need a **team** to help you. What jobs need doing? Have you written down exactly what is expected from each team member? How do they participate in the profit? If you team involves family how do they relate to non-family team members?

What **customers** do you want to attract? How can you find groups of them to promote to? What do they need from your hotel? Are these potential guests nearby or are they overseas?

Does your **product** suit these identified target customers. Are your facilities what they require? Do you have a thorough understanding of your competition for all of your offers? Have you sufficiently differentiated yourself so as to be memorable?

What **channels** can you use to reach your market? How important are the various intermediaries? Can you rely on direct sales or do you need help from agents? How important is the internet? Is your own site optimised to sell from?

How can you **reach** your prospects? Will advertising work? Can you achieve it all by direct contact? Do you need a sales specialist in your team or are you going to allocate time to drive the business forward? Direct mail and e-mail work well but only if you have good databases. Editorial publicity is excellent and free but you need to have or develop something newsworthy.

What **promotional material** do you need to support your efforts? Will one brochure do it all or should you consider support material for your different products and customers? Who is going to help you with

text writing and design? Good design has only to be done once and lasts for years.

How do you set the right **price** for your offer? Is it good enough to follow your local competition? Is the local budget hotel really the best benchmark? How do you make sure that you coordinate all the various offers and special deals?

Have you set up the right **procedures** and **systems** so that you maximise all the potential from customers that make contact with you? Are you 'leaking' opportunities? Do you constantly monitor levels of guest satisfaction, based on the priorities of your guests? Do you have a system for collecting favourable comments and using them to promote your business?

Have you analysed all the opportunities for increasing **revenue**? How do you convert leads to sales? How do you increase the average spend and how do you try to get guests to come back more often?

Does everyone in your team know what the **plans** are? Have you written it all down so that everyone knows what is going on and can make their correct contribution? Action plans need only be 1 page but everyone must contribute and understand their importance.

So even if you do know this already, it is not that easy to take time out to fully analyse your business and make some relevant changes. What is certain though is that if you carry on doing what you have been doing in the past you will get exactly the same results.

By the way ostriches do not really put their heads in the sand. When the female is on her nest and sees a threat, she presses her long neck flat along the ground, blending with the background. If you are under threat, you need to do exactly the opposite; new business will only come if you get up and hiss and roar your head off and run like the wind.

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

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