



News and Articles
Brand Management

Sales and Marketing Reviews:
we all know the questions,
now let's concentrate
on the answers

Sales and Marketing Strategies
by Hotel Solutions Partnership

In our experience the effective management of the Sales and Marketing function in individual hotels leaves a lot to be desired. Not surprisingly this is in part due to the lack of expertise amongst operational management and their frequent focus on the operational aspects of the hotel. It is increasingly important for General Managers to effectively manage the function and it is up to the Sales and Marketing team to clearly demonstrate they are "on top of the game".

We believe that effective regular review meetings are key to the process. Whilst it is most common to have monthly team meetings, our recommendation would be that comprehensive review meetings (with full answers to the questions below) should be carried out quarterly. This allows for sufficient time to implement actions and review them and make future plans based on a more substantial period of trading. Monthly meetings may still be a part of the process but with less detail and a concentration on any issues and obstacles involved with implementation of the overall plan.

We are conscious that many reading this will say that these are the questions currently dealt with. Our issue is that the vital senior management role is to ensure that they are receiving answers that have real depth and that can be substantiated wherever possible with the numbers. Often this is not the case.

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Area: Worldwide
Section: Brand Management
Issued by: Hotel Solutions Partnership
Re-Edition 2017

For us, the Sales and Marketing (S & M) Review should deal with the following questions:

1. How have we done compared to budget and the previous year and what are the performance trends?

This is predominantly about the numbers; it should be delivered by the S & M team, though produced together with the accountant. For the relevant trading period this should cover:

- a. Trading revenues/rooms sold/ADR
- b. Comparisons to previous year and to budget
- c. Variances
- d. Performance benchmarks against a relevant competitor set

All this has to be done by individual market segment so that the variances can be properly understood and explained and action taken.



2. What do we need to do to address the negative variances?

The answer could be "do nothing", but if it is "do something" then it must be accompanied by clear reasons and costs. Is it a segment where more business can be won and if so, what is it worth and how much time and money would we have to spend to realise its potential? Only with this information can we make an informed decision.

3. Can we make more of the positive variances?

Sometimes these happen by chance and at other times because of specific action that has been taken. If it is because of a specific action (like a promotion) the key question is, "can we make more of this segment if we repeat the action"? Again the cost/benefit must be assessed. If by chance, was it a 'one off' or could we, with some action, make it repeatable and enable its inclusion in future budgets.

4. How effective has our S & M activity been this period?

This is an area where answers can be very woolly - but they don't have to be. Answers should be based on a review of planned activity and expenditure. The S & M manager must be able to report successes and explain failures. Examples could include promotions, the resulting cost and revenues, sales contact with top 20 clients and the value of bookings received, exhibitions attended including the cost, and the enquiries/bookings received. It is only on the basis of this level of rigorous assessment that decisions to repeat activity can be made.

5. Are we going to achieve the next period's sales budget?

This is an area where the S & M manager needs input from reservations, C&B etc. as they should be tracking the pattern of advance bookings and so should be aware of the adequacy of bookings in relation to budgets. The key question for S & M is, "if achievement of budget is in question, what can S & M do to remedy the situation for the current or subsequent periods?"

6. What are the key activities and expenditure for S & M in the forthcoming period?"

In common with question 4, the response here should list actions and the results they should deliver as a basis for subsequent evaluation and be directly associated with specific market segments. For example:

- How many sales calls to which market sector with the aim of securing XXX room nights in periods X/Y/Z.
- An e-mail promotion to 500 past mid-week leisure guests, with an offer of XXX aiming for 25 bookings of a three night stay worth £XXX.
- Attendance at a wedding fair costing £XXX aiming to increase wedding enquiries in the following two months from an average of XX per week to YY per week.

7. "Taking what we've learned about the business in the last period, what S & M actions should we include or remove from next year's S & M plan?"

It is always best to have a rolling S & M plan rather than simply writing it once a year. At the end of a period, management is usually best placed to know what should be considered in the same period the following year. This may be to ensure you don't face the same negative variances discussed above, or to ensure you repeat activities that have delivered success in the current year.

There is nothing revolutionary about the list of questions above. However we have only come across few hotels where the process is approached with sufficient rigour. It is down to the whole management team to work together to make this process work well, and when it does, all will feel in more control of the business.

Our recent experience indicates that such reviews are frequently lacking in the detail that is needed and that Sales and Marketing Managers too often operate in isolation from other members of the management team. Most significantly the hotel accountant is frequently not closely involved enough - often thought of as the "numbers people", their input is fundamental to helping everyone understand what is going on in the business. When accountants are asked to provide numbers to help manage the future of the business, rather than simply reporting on what has happened, everyone benefits. Where the team works closely together everyone can have a better understanding of what is happening in the business and, as a result, feel in greater control.

In these examples we have concentrated on room sales as the most important contributor to profitability - too often an excess of time (and money) is spent on less profitable aspects of the business.

The basis of this process and all effective planning of sales and marketing is the detailed segmentation of the business. Everyone in the management team must be aware of the mix of business that is being sought and delivered. In the case of room sales simply splitting the business between leisure, corporate and function isn't enough to be helpful - you have to know what is expected from every readily identifiable business source appropriate to the individual business as each needs a specific sales and marketing approach.

For example, leisure businesses may need to be split between individual short breaks, mid-week promotions, family holidays etc. For this to work, S & M has to work with the accountant to match the business mix with the business numbers and with front office and reservations to track the business when it comes in. It is essential that the business has a budget based on realistic segmentation and an S & M plan focusing on each segment.

Author: Alastair Stevenson, Principal

Alastair Stevenson

Associate

UK



Alastair Stevenson established a niche hotel marketing planning consultancy, Marketing Planning Associates (MPA), in 1987. Initial projects included both marketing planning for major chains and individual properties as well as development assessment. Early clients included Forte Hotels, Whitbread, and Holiday Inn Hotels. A wide range of assignments have been carried out for Touche Ross/Deloitte and Touche in the UK and Ireland, providing specialist input for many projects, including Granada's advisory team during the Forte takeover battle and marketing support for the hotels they operated in receivership in the 1990s.

Alastair has provided consultancy services to many of the major hotel groups over the years, as well as high-profile independent hotels. Hotel assignments have ranged from the development of a brand specification for Conrad International to the preparation of marketing strategies for some of the best known country house hotels in the UK and Ireland and numerous market feasibility studies. Many key clients have returned for a variety of projects over many years.

The firm also works in the wider fields of heritage attractions and other tourist facilities, with clients including English Heritage, Shropshire CC, Buckinghamshire CC and The National Botanic Garden of Wales. Many such projects hinge round market assessments and the income generating potential of investment proposals.

Alastair has also provided advice to national and regional tourist boards on a wide range of topics, including hotel development, business planning and tourism development and marketing strategies.

Prior to establishing MPA, Alastair held a number of senior marketing and sales positions including:

- ◆ sales and marketing manager of the 800-room Cumberland Hotel in London;
- ◆ marketing manager of Forte's overseas hotels;
- ◆ marketing planning manager for the Europe, Middle East and Africa division of Holiday Inn Hotels.

His initial hotel marketing training was as a trainee consultant to hotel marketing guru Melvyn Greene of Greene, Belfield-Smith, which was followed by three years as a regional tourist officer in Aviemore in the Scottish Highlands.

Alastair is a Fellow of both The Tourism Society and the Institute of Hospitality and recently completed a four-year appointment as a non-executive director of Horticultural Halls Limited, the exhibition and conference centre of the Royal Horticultural Society in Westminster.

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Associates

Hotel Solutions Partnership Ltd. UK is a network of 35+ expert managers, supervisors and corporate financial advisors working around the world.

The team of Hotel Solutions Partnership brings many years of combined experience in the international owned, leased, managed and franchise branded hotel sector, and all of us are experienced as independent managers. This enables us to understand the client's requirements quickly and deliver this customized project solution. The team is structured into three geographic groups addressing client's needs in the different global regions. Additionally, we partner with a limited number of specialist firms to extend our reach into certain markets.

As individuals and as a team, we have worked in 114 countries; from 2003 the Hotel Solutions Partnership delivered assignments in each of Bali, Belgium, Ireland, Mongolia, Poland, South Korea, Spain and the UK. We are sensitive to cultural differences and diversity and this enriches our work.

The headquarters of Hotel Solutions Partnership is located in London. The partner offices of HotelPartners are located in additional offices in Prague, Bratislava, and Vienna.

About us

HotelsConsult.com Ltd. Prague, the CEE Partner for the effective way of developing your business, we come with flexible solutions.

From 2001, the HotelsConsult draws on a collection of 20+ skilled disciplines to help you maximize operations in your region. Our partnership clarifies the full assistance in *hotel matters* what shall meet the client's requirements on the field of planning, development, construction, innovation and strategic management in the Hospitality, Tourism and Leisure Sector.

We help with all specific requirements within our branch for a short term or long period of time. The technical brand experts are capable of producing helpful activity aimed at realization of construction engineering, cost management, and hotel technology services.

The HotelsConsult.com Company shares its business relations on the territory of Central-Eastern Europe with headquarters located in Prague, Czech Republic; we have additional offices in Bratislava-Slovak Republic, and in Vienna-Austria.

(M.Neumann, ex HSP Vice President 2011-2014)

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At HotelsConsult.com, excellence in service providing is our principle goal; sharing of experience on best practice comes from the hotel management, from the business development of franchise corporations, from the project finance, and hotel pre-opening.

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