

When is a Saving a Saving: A Hotel Supplier's Perspective

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When is a saving a saving?

- How to work better with Hotel Suppliers
 - Understand, Talk, Plan
 - Educate bookers
- What can the midscale hotel segment offer corporate travellers?
 - Realise Value
- Reporting
- What can Choice Hotels offer?

When is a saving a saving?

- How to work better with Hotel Suppliers
 - Understand the trading environment for hotels:
 - Corporate segment has contracted
 - » Starting to expand again.
 - Government segment has strengthened
 - » But probably won't continue to do so.
 - Leisure segment in UK has remained strong in primary markets, notably London.
 - » Recent strengthening of £ against € may indicate a change in this trend. VAT increases?
 - Midscale hotel segment has not seen the decline in rate that may have affected more upscale product.

When is a saving a saving?

- How to work better with Hotel Suppliers
 - Talk to your suppliers
 - People buy people, not RFP tools
 - Better understanding of the opportunity can be communicated – more trust established
 - Understand the position of the supplier with regard to current trading environment
 - Dialogue at chain level helps chain appreciate scale of opportunity with specific clients
 - Consider booking channel in negotiations, particularly for SME
 - Remember no hotel booking service is free

When is a saving a saving?

- Negotiating on rate
 - Plan in advance, do your research on markets
 - Be realistic on rates, reducing rate too much may only result in your custom being less valued.
 - Continual renegotiation of rates adds time and cost to hotel procurement for the client and the supplier.
 - BAR in some markets may be just as acceptable and remove the need for renegotiation.
 - Consider negotiating a rate with dynamic discount when the trading environment is uncertain.
 - Do you really need LRA?
 - Calculate added value, breakfast, airport transfer, complimentary drinks, location – it adds up.

When is a saving a saving?

- Getting the best Value
 - Educate bookers
 - Do bookers know that BAR can be better value than N-rates at times?
 - Book in advance for best rates – as true for corporate travel as it is for leisure travel.
 - Encourage employee sign-up to frequent traveller programme.
 - » Why?
 - » Tactical offers to members, extended benefits, late check-out, room upgrades, etc.

When is a saving a saving?

- How to work better with Hotel Suppliers
 - Understand the midscale proposition:
 - Product is about offering Value, not just low prices.
 - » Free wi-fi internet – Value
 - » Breakfast included in rates – Value
 - » 24-hour staffed properties – Value
 - » Provision of catering in one property – Value
 - » Loyalty points offered to travellers – Value
 - » Forgot-something programme – Value

When is a saving a saving?

- Getting value extends to external factors:
 - Location
 - Taxi or train fares can rapidly add up
 - Employee's satisfaction with travel experience
 - Are you managing employee's spend effectively on meals / beverages?

When is a saving a saving?

- Reporting:
 - Still primarily the TMC's domain of expertise
 - E-folio data available in US to Amex & VISA card holders
 - Provides data to TMC / corporate on itemised spend at hotel, room, F&B, laundry, etc.
 - Coming to Europe later this year with roll-out of new PMS ChoiceAdvantage to Choice Hotels properties.

And remember...

- What is a cynic? A man who knows the price of everything and the value of nothing.

Oscar Wilde



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Thank You

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