

# Hospitality

Tech Advisor

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Special Issue

## Technology In Turbulent Times



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**Editor's Note:** This week we offer you the first part of our **Special Issue—Technology In Turbulent Times**, which seemed an obvious and important topic to cover in light of the deepening economic downturn. For this issue we sought to highlight specifically how technology is being used in hospitality organizations to help survive this global recession. To do so we conducted a mini-survey, asking technology vendors and their hospitality clients to respond to the following:

*'Budgeting in a recession boils down to shifting budgets from the beginning of the funnel toward the end.'* Forrester Research

### HOW ARE YOU SEEING TECHNOLOGY BEING USED TO GET THROUGH THESE TOUGH TIMES, AND WHAT RESULTS HAVE BEEN SEEN?

Inside we feature the responses we received, and share developers' and users' insight as they discuss how technology can, and does benefit the hotel business in these unstable times. We would like to say **THANK YOU EVERYONE** for your contributions to this issue—your time and effort is much appreciated.

We also include a discussion by Accuvia's consultants which touches on what they think hospitality operators should be considering in order to weather the storm; how foodservice segments are changing in response to customers' habits; the impact of the downturn on IT budgets & decisions and emerging technology; and the continuing role of IT in the industry. A selection of news from around the world demonstrates the fact that the downturn is global.

Key words in this week's issue are: Shifting Markets & Opportunities, Examine Guest History and Study the Competition. Also, given there's so much talk of how the most profitable marketing channel for a hotel is Internet marketing, we bring you news and top tips from various web marketing experts.

*'When the market goes soft from global economic forces, intelligent operators reformulate marketing strategies that prepare them for the future.'*  
Robert Post, CEO of TravelCLICK

Very soon we hope to bring you the second part of this Special Issue, focusing on how technology is being used in the Foodservice industry.

Don't forget that there's still time for you to participate in Special Issue - **Technology Trends In 2009**. Please don't hesitate to contact me for details of how to be featured, at rclaret@accuvia.com.



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Event and Meetings Management Systems



# Technology In Turbulent Times

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In the past, when times became tough, operators often looked at technology as one of the first things to cut. This time around, however, many operators in the hospitality industry are looking at technology as a key to their survival and are looking to make technology investments that help them get through these troubled times.

The focus of these investments includes technology that helps to reduce costs and improve customer service. There is also high interest in technologies for use by purchasing co-ops and systems for better forecasting and analysis.

**CIO Insight's Top 5 Ways Business-Tech Helps in a Downturn** offers statistics on IT leaders' current motivations for using BPI:

- 73% - Improving Productivity
- 69% - Reducing Costs
- 39% - Increasing Revenue
- 37% - Staying Competitive
- 22% - Accelerating processes

At the same time, operators want to ensure they are spending technology money wisely and are looking to stretch their technology budgets as much as possible. There have been hardware deferrals, fewer upgrades, and certainly some operators are thinking twice about making any major changes to systems unless there's a compelling need. Many will look to technology as a way to improve fiscal controls and will target their investments to drive down costs with better buying, forecasting and energy management, and with tighter labor scheduling. Operators are also implementing more targeted IT budgets with shorter ROIs.

NS: Technology can be costly but in the last 2-3 years there has been a big technology push to upgrade systems. In tough times we could see longer lifecycles for edge devices. Indeed, **Microsoft** has said that the upgrade to Vista did not go as well as they had forecasted, as people are saying they're happy with XP. So many, it seems, are putting off investment in tech and are just nibbling around the edges. Increasingly we're seeing technology used to extract more profit, and stretching the use of existing technology. For example, **Microsoft** claims that much of their recent growth is due to increased sales of their games software, like Xbox.

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Editor: So do you think that MS Surface may have progressed faster if it weren't for the recession?

MO: Surface is a major strategy for Microsoft. We haven't seen many installations using MS Surface other than a few hotel chains, like **Sheraton**. But it's a major investment and the development cycle was always predicted to be quite long so I believe we'll see more uses in the near future. Overall, some companies are going ahead with planned projects but clearly others have put technology projects on hold.

NS: I think it depends who you're going after with MS Surface. In Las Vegas it's a compelling application as it engages the guest so that they return. In a retail store like **T-Mobile**, Surface is serving the general public so has a different value.

BP: Surface is not a great fit for foodservice as any profit realized would be minimal. It would be more of a novelty and very hard to justify any return on the investment. Most traditional foodservice establishments are slow to adopt new technology, even in the best of times. Companies tend to watch other market segments or competitors before acting, because even with better networking and remote access, it is still a significant investment in time, planning, resources and materials to provide new technologies company wide.

MO: I do see companies starting to look at other multi-touch applications. There was an interesting demo at **Hostec-Asia** in Bangkok by a Thai company, and another application at the **International Hotel/Motel & Restaurant Show** in New York.

Editor: So what should people be thinking about to survive the storm?

NS: The last seven years have been booming, with a growth in ASP, SaaS and lower TCO. However, this reduction in on-site tech presence means businesses have to pay third party suppliers on a monthly basis. Now that times are tough and people are reviewing all their expenses, they may think that it is actually cheaper to have one tech guy, own their software, and eliminate monthly expenses.

MO: But it will still make sense for many operators to outsource tech support, especially if there's reduced headcount. Companies should reassess technology staffing, but I haven't seen much re-insourcing.

BP: Some companies are starting to select BI tools to do more customized reporting in-house, instead of a hosted solution where there is the additional cost of development and implementation.

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I think there's a need for many companies who chose hosted solutions (as more cost-effective) to review that initial choice to see if they can find economies in bringing some of those functions in-house. There are algorithms used to calculate monthly costs of third-party support and hosting that may prove that it is no longer justifiable to outsource. The original parameters used to make the decision may have changed due to growth, cost increases and in-house staffing. So in terms of cost cutting, it may be a good time to review the original decision.

NS: It may be too soon in the cycle to see the full impact of the downturn in foodservice. Is everyone waiting to see what happens? Are operators holding back, as people are eating out less and it's starting to bite?

MO : I think people are still eating out, but what we're seeing is a move down of restaurant levels, i.e. fine dining guests are moving to casual sit-down; casual sit-down is trading down to fast casual. We're definitely seeing some tiers doing well, and others not, so technology needs / investments will vary according to market place.

TL: Many operators are looking for ways to expand their presence and extend their operations outside the traditional footprint. Use of web ordering, for instance, is increasing significantly. The pizza segment has been a leader and this is expanding to other areas of foodservice. Ordering via a cell phone has also been successfully deployed.

BP: Let's remember that from a technology perspective, every time there's a market downturn, IT is the last frontier of cost cutting as managers always look at operations first. Operators know they need to cut costs in turbulent times, but that same trend is not immediate in IT. Once all cost-cutting measures have been taken in operations, sometimes to the detriment of customer service, companies then move internally to help do the same. I don't think the downturns are long enough for adequate adjustments in foodservice IT if the effort doesn't start at the beginning of the bell curve, as it is a technically slow-reacting industry.

NS: And in hotels it's the same pattern. First they wipe out staff – then they look at IT for cutting costs. They know they can put heads on beds without changing IT, so many projects are deferred. The guest facing projects like flat panel TV upgrades, however, are an exception for competitive reasons. Internally, there is little focus by hospitality companies looking into their own buildings. They don't see anything IT can do to impact internal costs. Hotels are not as flexible. On the macro level, the chain passes expenses onto corporate. Hotels tend to look at sales & marketing for market differentiation, such as improving their website to attract customers.

MO: What is interesting on the hotel side is that so many initiatives are decided by the brand and they rely on the individual hotels to fund them. If sales go down in lodging, and budgets are tightened, tech will be reduced.

Editor: I'm gathering that in foodservice there is less impact on spending for IT projects, but on the hotel side bigger projects have visibly slowed a bit?

NS: During the last slump in the early 2000s, many foodservice companies kept spending money on IT as they were rolling out new POS systems in tune with the transition to Windows NT. This was caused by suppliers ending their support of certain OS. It was a must-do. That's also when foodservice started putting in broadband.

Plus, there's a real need for foodservice operators to use technology. Their industry is more tech-intensive than hospitality. The only time new tech went in hotels during the last recession was when new ones were built. All other work around that time was in infrastructure, for wiring, etc.

Editor: Could you give some reasons why operators should therefore invest in technology during these turbulent times?

NS: I see several reasons why the hospitality enterprise has investment in technology as an imperative. The first is the relative return on the technology investment, such as for labor saving programs and technology embodied in a range of systems - from scheduling systems that better control expensive labor hours, to sensor technology that can direct employee actions to perform specific tasks at the most efficient time. Think the smart kitchen concept.

Database and reporting technology makes operators more aware of the trends, weaknesses and strengths of their business and makes them better managers. The full range of efficient cost control; food and material, energy and safety all are the better for the application of technology.

Technology defines our business and extends the span of control at the property level, and as we move up the organizational chain, without our technology the effective management of large enterprises would be more costly and less efficient. Regulation and a natural concern for the protection of consumer data also benefit from advanced systems.

Finally, hospitality is a reflection of our times and society and as we as a society have become more connected, and have an increased ability to promote commerce electronically and communicate and collaborate in a virtual space, it becomes necessary for us to connect to this world, market through these channels and embrace and become a part of the changes around us.

Editor: How do operators need to be visible where customers are shopping?

NS: Foodservice and lodging are hyper-competitive businesses that compete on many levels with each other. The growth of communications all throughout history has enabled potential consumers to find what they need and to be aware of the goods and services available around them.

For business the advances in communications is a doubled edge sword; it is good to get your name out to the general public but it also expands the market area and allows distant competitors to reach local customers. As the channels for communications and advertising have grown, and the distribution channels matured, we have a situation where almost every business in the world is a local business.

The buying public is accustomed to having choices and to depending on the intricate network of distribution avenues making items readily available. To survive in this connected world, and expand above and beyond the confines of the smallest local area, a business must have a presence and be visible to the buying public. This means they have to reach the touch points where potential customers' activities intersect with media channels - be they newspapers, online, radio or television. Even the strategy of spreading through a patchwork of local sites requires a broad presence to allow the business to be seen and heard above the surrounding clutter.

Why should a business be where the customers are shopping? Because that's where the money is.

MO: This is what is driving the web ordering demand for foodservice and the continuing emphasis of electronic distribution for hotels.

Editor: Which technologies do you see emerging as a result of operators' demands?

TL: Kiosks and portals that allow customers self-service capabilities are expected to become more prevalent. This is going to be driven by constant demands to cut labor costs while maintaining even higher than normal service levels. This combined with the ability to utilize mobile devices to text orders or send advertising will help to serve the current demand for customers to have immediate gratification. Customers are demanding a more personalized experience, and operators that expand on current marketing by utilizing a combination of mobility advertising with opt-in promotions are producing results. Plus, in both foodservice and retail, the need for loyalty / CRM has driven vendors to establish applications personalized to specific needs of customers. For example, analytics are now available so that there are no blanket discounts. During the holiday season, operators can target the right people.

There's a move from blanket marketing to loyalty that has more personal value exchange for the customer. This comes with added data gathered from POS and Analytics applications. Customers are targeted with what they want thanks to new technology, including, for example, applications that gather data and look at how people buy.

NS: Technology will gravitate to marketing to build loyalty any way possible, including the use of analytics and sales data to tighten up menu offerings. During a downturn restaurants tend to introduce new items and the subsequent menu changes mean they need analytics to see if the new offers are bringing in revenues. This is a classic case of the industry using high tech to evaluate a low-tech process – something it does often. Some restaurants make bold moves that change the game entirely, such as CKE, who is going contrary to trend and has bought in a \$6 burger in an attempt to increase loyalty.

Foodservice is more dependent on having hi-tech tools available and integration in operations as they deal at a macro level. Hotels are more personal and are locked in to the confines of each individual property .

BP: I believe IT managers in most companies need to step up and review their own property since upper management doesn't look at IT first. If IT visionaries take their proposals to upper management, they could say: 'This is where I see that we can mitigate a particular IT expense, or reduce the cost of service and support, or consolidate some functions by reviewing all business units, or maybe reallocate usage of existing technology to be more efficient.'

Typically in foodservice, IT chiefs tend to react to operations suggestions first, even though it may not be the first place they should go for determining strategic efficiencies .

Editor: From an opportunistic perspective, what can IT bring to companies to move forward? What should we look at to help the business?

BP: Heads of IT generally need prompting to want to look at internal methods and resources. In many cases this is tough because it may mean that a closer look could result in reducing headcount or changing alignment of existing resources. The IT operation may already be inefficient and can stand some tweaking anyway. For me it would be the first place to go to start looking at areas where the application of standardization, data consolidation, virtualization and enhanced processes might result in significant savings.

NS: Plus, the IT person must get involved in the budgetary process. They need to look at every service within the Foodservice / Lodging environment to decide where IT can bring value. For example, telecom costs; or maybe there's a way to use email more intelligently, or video email; or in F&B Purchasing, what kind of tools are out there to track expenses against the budget to monitor where dollars are going? What can IT bring to the

marketing department to make it more productive without incremental costs?

BP: People look at operations, not technology, as they think this helps. If they cut labor they sacrifice customer service - before looking at IT. In addition, they generally don't pair better tools with reductions in operational headcount. They cut processes and people to the bone before looking at tech tools – they only look at providing better tools in times of reduced headcount after they've started to lose customers. We are still at the top of the bell curve where companies are still only looking at operations. People are still not taking drastic steps to look at IT-related tools to run more efficiently and bring in more business. In QSR, it's possible that we could soon see the 'mad scramble' in order to get more business.

NS: QSRs, like many other segments, survive on cash flow. They have to keep the people coming in. 'More for less' is how it works. In the restaurant they make money every day, but they pay their bills every thirty days.

## CONCLUSION

The hospitality industry is no stranger to challenging times and has always adapted to suit the changing circumstances of the people that make up the market. While there is no way to escape the laws of supply and demand, the operators who have the flexibility to change and grow efficient businesses will continue to prosper. Each business and operation is different and as we have become more differentiated in our target markets, the danger of a particular demographic shrinking beyond the limits of economic viability is very real.

From a technology perspective we have heard our consultants weigh in on the part IT plays in helping businesses solve problems and become more adaptable. The industry has never before in its history been as tightly bound to technology.

Foodservice, lodging and retail have used their investments in advanced systems and infrastructure to become more responsive, more efficient and possessed of more options to meet operational challenges. Because of this, IT may enter this period of economic uncertainty with a more focused purpose and smaller budgets, but the continued contributions that IT can make toward building brand loyalty, reducing costs through better understanding of operations and providing management with the deep insight they need upon which to base decisions, will insure that the technology sector remains a vibrant part of the growth of this industry.

Hospitality Technology's Cihan Cobanoglu believes that now is NOT the time for technology departments to remain quiet. 'Doing so will only lessen the credibility technology has as an overall enabler for improved performance across the organization,' he writes.

Cobanoglu thinks IT executives should 'continue to push for technology objectives that will increase efficiency and help the company ride out the negative affects of a down economy.'

He notes 5 areas that IT executives should look at during an economic slowdown:

- 1) Focus on strategic goals
- 2) Focus on efficiency and cost cutting
- 3) Focus on future legal / contractual needs of the company
- 4) Negotiate discounts
- 5) Consider the Software as a Service (SaaS) model

# The Vendors Talk Tough Times

## NFS Hospitality



Luis Desouza, MD and Head of Sales & Marketing for UK-based **NFS Hospitality**, began our interview by telling how NFS recently did a brief survey and identified some key things that clients are doing to survive these unstable times.

Firstly, NFS is going back to existing customers and putting in place programs to help them, and in the process get more business.

'The key to this is having good data on the existing clients, being able to identify spend patterns, key personnel to communicate with, and key risk factors within an account,' says Desouza. 'Obviously having a good CRM/Client database is a key starting point.'

Secondly, he says that clients are working hard to reduce costs and NFS is having to help them with sharper or more dynamic

reporting on item costs ( e.g. food and drink), labor costs, and other cost elements they can control.

'Thirdly,' concludes Desouza, 'as a technology company we are being called upon to help with new business generation and we have been working with some clients to assist with campaigns like email marketing.'

## Tiare Technology



Jeff Krevitt is President of **Tiare Technology**, developers of the intelliChaise personal ordering system. He believes that in these challenging economic times, hotels look for ways to increase revenue as well as reduce labor costs - but too often these measures come at the expense of customer service.

With Tiare Technology's suite of wireless ordering products, 'today,' says Krevitt, 'properties are able to increase revenue, reduce labor costs and provide their customers with the personal service that they expect.'

The intelliChaise system allows guests to

order food, beverage, spa services and retail items directly from their chair at the pool or beach. With updated, real-time information provided to guests on custom menu screens, the system is a good yield management tool, and its wireless wait



*The intelliChaise personal ordering system*

staff device cuts labor by providing staff with information to help streamline operations.

Staff can place orders from the handheld unit and are also alerted when a guest needs service, or when orders are ready for pick-up. They are given guest's name, order history and preferences, for a personalized service experience.

Tiare Technology also markets wireless service applications for restaurants, bars and guest rooms which raise revenues and reduce labor costs, while allowing the property to continue providing a high level of service.

## Flyte Systems



Brian Reynolds, President of **Flyte Systems**, says the company is experiencing a trend among its most recent subscribers who, rather than simply implement resource cutbacks, instead sought affordable ways to distinguish their properties from their

competitors. They found providing live airport flight information to their guests to be an easy, inexpensive, low-risk way to do so while also building guest loyalty and immediately increasing revenues.

'Guests have expressed their appreciation of the convenience and comfort of knowing the status of their travel plans - especially in this era of diminishing airline seat capacity,' notes Reynolds.

With 1,300+ customers in twelve countries, **Ariane Systems** is a major player in the European self check-in / check-out solution market.

Laurent Cardot, MD for the Group, says that: 'In tough times, hotels are looking deeper into their costs and try to save as much as possible to ensure profitability and survival.' However, he adds that it is often that a cost cutting goes with a service reduction for the guest, and although the financial impact is positive on the hotel, the marketing impact could be negative in the long term for guests.

So what could bring improvement of service and cost reductions at the same time? he asks. 'Self-service has invaded our lives in

the past ten years and although banks, airlines, and stores have been using it with tremendous success, it is only now that the Hospitality industry is finally going into it.'

The idea is very simple, he notes. Let the guests do their own check-in and check-out at a dedicated kiosk. They can retrieve a room with their reservation number, select the room they want, pay for it, receive their room key card and get an invoice in less than a minute, in a choice of fifteen available languages.

Cardot then tells how guests have proved that self-service is an option they like by massively adopting the Internet reservation mode. 'Being an actor of the check-in process instead of just being a "watcher" has been a long desire for the

business travelers,' he states. Also, because of competitive costs, hotels can often afford multiple kiosks in the lobby (like at airports), which helps reduce front-desk queues at busy times.

Cardot feels that most of the new concepts that are appearing on the market have integrated self-service as part of their concept. The Danish chain, **Zleep Hotels**, with seven hotels in Denmark and Germany, has installed kiosks in all its property to ensure all night operations. 'This had a significant impact on the hotel's organization and profits and did not alter guest satisfaction. On the contrary, guests benefit from a 24/7 service they did not have before,' says Cardot.

## Resource Technology Management, Inc.



**Resource Technology Management (RTM)** is an outsourced, hospitality-specific technology-consulting and project-management company. Terry Mueller, CEO, begins by reminding us of how many hotels are forecasting a decline in 2009 revenue, so, 'more than ever before, owners and management companies need to implement cost-saving strategies to reduce corporate and property overhead – especially when expertise in specific job functions and time to perform related tasks is lacking.'

Mueller tells how outsourcing specialty areas – like hotel Internet/guest support services, RM, eCommerce management, and HDTV upgrade project management – is a good place to start. 'In order to reap a true ROI however, it is imperative that owners and managers hold the outsourced partner accountable and pre-establish strategic guidelines to track progress and results,' he states.

However, Mueller is not suggesting that we outsource these jobs to overseas

operations. 'Too many call-center and accounts-payable support groups have already moved in that direction,' he says, 'and customer service is suffering, giving hospitality a black eye.'

As management companies reduce corporate overhead, an outsourcing team can achieve measurable results with a modest expense to the property, which gains an experienced team of experts at a fraction of the cost, while gaining higher rate on ROI.

Mueller gives a few examples of how RTM's clients have benefited from outsourcing certain services:

When building new hotels, the **McKibbon Hotel Group** outsources the project management of its low-voltage infrastructure, such as cabling for telecommunications, cable/closed-circuit TV, and HSIA, to RTM, who keeps McKibbon abreast of the ever-changing technology platform, makes big-picture investment recommendations by identifying the right technologies for each brand in the company's portfolio, and implements the right

network infrastructure to support future technology needs of the hotel's guests and staff.

Another client is **Driftwood Hospitality Management**, who outsources its HSIA, eMarketing and HDTV-conversion services to RTM. As a result, Driftwood is seeing:

- Its brand.com websites exceed year-over-year brand averages and provide a high and measurable ROI
- Improved high-speed guest service scores from using a US-based call center
- By outsourcing the HDTV conversion, the chain can implement the best and most cost-effective solution for their properties
- More focus on maximizing revenues and reservations via the various distribution channels, as RTM channels traditional marketing expenditures into a range of e-commerce initiatives

Mueller adds that while most of the major brands have good e-commerce tools, a much larger ROI can always be achieved by optimizing the property's websites.

'Unfortunately for the hotel companies – and their properties – the lack of manpower and/or expertise may be stifling ROI potential,' he claims. Mueller notes that outsourcing makes sense if one considers that expertise does not have to be expensive.

Also, 'by holding the outsourced partner

accountable and requiring them to track and measure results, hotel companies are finding that double- and triple-digit returns are easily achievable on their investment.'

According to Mueller, some outsource partners, such as RTM, have been able to achieve a ROI from 10 to 30 times of the fees paid.

RTM advises that these ROI results can be achieved if operators:

- \* Treat their outsource partner as an associate
- \* Specify their expectations
- \* Establish goals and objectives
- \* Keep them working
- \* Need a detailed reporting structure and schedule

## NORTHWIND Maestro-PMS



Warren Dehan, President of **NORTHWIND-Maestro PMS**, says that softening markets are not new to savvy operators who remember the last downturn, at the beginning of the decade, and that they will have learned from it. During a slowdown, says Dehan, the three primary objectives that hoteliers target for business improvement are: increasing online/offline productivity, boosting staff efficiency, and upgrading guest services to build repeat business.

*'Tough times are the perfect opportunity to look at new technology to automate, integrate, and improve business practices.'*

Dehan tells how these three goals can be reached with **Maestro PMS by NORTHWIND**, which contains over twenty integrated modules and the **Web Connection Suite**. He then presents us with some examples of how Maestro PMS has been benefiting clients during the current slowdown.

'Hotels using Maestro's Web Connection Suite of integrated web booking tools and reservations software can gain increased topline revenue from their most profitable reservation channel, the Internet,' he explains.

Lisa Jane Wheaton, Director of Revenue for **Vintage Hotels**, says the company has seen a 35% increase in online sales in the past year with Maestro's fully integrated online booking capability that enables guests to add elements to their packages. 'That's a great ROI,' she adds.

The Maestro PMS hotel management system reduces expenses and improves staff efficiency. 'Before implementing the Maestro Suite with integrated S&C, keying contracts,

rooming lists and banquet event invoices required a great deal of our sales staff's time that was not spent serving guests or selling,' says Matt Oliver, Assistant GM of **The Highlander Inn & Conference Center**. 'Our investment in automating corporate sales and meeting processes goes straight to the bottom line.'

For operators with depreciated hotel software systems, a soft-demand forecast can be a reminder the time is right for new technology. 'The first year we implemented the Maestro PMS with Yield Management integrated into the **ResEze** Web Booking Engine, we reduced our reservations staff by one employee while increasing our ADR by 7%,' states Bob Belansen, Owner of the **Grand Hotel of Cape May**. 'Maestro helps us provide better guest service at the front desk while increasing revenue.'

The Maestro system with Diamond Plus Service provides access to free training webinars where new staff learn the system quickly. 'Personalized guest service is essential to our resort's repeat business and the revenue it delivers,' says Alaric Pratt, Systems Manager for **Campbell's Resort**.

'By automating our PMS, Spa, and Group S&C operations on the Maestro PMS modules that use a single database, the resort

serves its guests more efficiently so they receive personal attention and come back to us,' he adds.

Having looked at these examples, Dehan advises operators that: 'Now is exactly the right time to look at your property's systems.' He suggests:

- Are they fully web integrated?
- Can your guests book a restaurant reservation, spa appointment, and golf tee time in real time on your website when they make room reservations?
- Does your system provide automated email confirmations with up-sell opportunities to guests who reserve rooms?
- Is your yield management system integrated across all your booking channels, including third-party websites?

'If your answer is no to any of these questions,' says Dehan, 'consider the revenue generating and productivity advantages of upgrading your property's systems now.'

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Chicago-based **Maxim RMS** provides advanced Revenue Management solutions to the hospitality industry, and works to increase customer profits as well as revenues. The company offers maxim e.FLEX, a web-based, automated RM product, but has marketed, distributed and supported maxim RM products since the first release in 1995. Maxim RMS' customers include independent hotels, mid-size to large chains, property management companies, property ownership companies, city centre, suburban, airport, resort, gaming, and boutique properties.

Don Wilson, Chief of RM Development for the firm, feels that fortunately, hotels using the maxim e.Flex fully automated Revenue Management System (RMS) are able to react better to shifts in demand and

generate significantly greater revenues than their competitive set. He tells how superior results are generated through a combination of factors:

- Better forecasts and fast, easy adjustments result in new selling strategies and tactics in-place immediately.
- Patented optimization (MVE) gives correct results even during slack demand periods when other revenue management systems might errantly drop the rates to zero.
- Controlling selective promotions and opaque channels to stimulate demand without causing price wars or diluting brand image.

In addition, Maxim are seeing two critical steps being taken by some hotels to ensure they thrive in these difficult times:

1. Speeding up the planning process. Hotels are using the full maxim e.Flex RMS forecasts as an integral part of their planning process. New budgets and plans can be developed and implemented weekly or even more often; whereas old methods require too much time and resources to be updated frequently.
2. Avoiding incorrect pricing decisions. maxim e.Flex RMS provides the best decisions based on hotels' own customer behaviors in real-time, as opposed to simply chasing the competitors' prices.

## Vitruvian Solutions, LLC



**Vitruvian Solutions** provide their flagship Evention Gratuity Management System which comprises Evention Gratuity and Evention Wages.

Evention is a system that replaces outdated and inefficient methods with the automated management of gratuities distributions, wages, and adjustments. With the solution, gratuity management can be reduced to just minutes, and it fits

easily into existing payroll processes and applications.

Eddie Francisco, Sales Manager for Vitruvian, believes that technology is cutting down on manual data entry, which needs to be done by employees on a regular basis - and this is costly. Manual data entry could be for payroll, calculating employees' hours, overtime, gratuities, etc.

'In these current times, many companies are looking to cut costs and obviously people are looking at technology to do this, such as Evention,' he says.

Erik Nejman, Vitruvian CEO, adds that business has been good for the company since the recession began. 'People are reaching out to us now as they realise that they're paying someone to do something that technology can do,' he states.

## VisionaryFX, LLC



Whitney Michener is Marketing Manager for **VisionaryFX**, a design house and creative agency based in New Hampshire that is committed to helping its clients achieve measurable results through innovative uses of creative technology.

VisionaryFX is a strategic partner of

**MeetingMatrix International**, and recently gave the technology company a complete brand facelift, including corporate identity, slicks design, website re-design, and product logos. Other VisionaryFX clients include **VMware**, **Hewlett Packard**, **MGM & Foxwoods Resort**, and **Subway Restaurants**.

Michener comments that in these times of an economic downturn, 'it is important for us to learn how we can help our customers set themselves apart from the rest of the competition.'

She says the company has learned, by talking to their customers, that their

budgets are tighter than usual, and so every dollar spent must be used effectively.

'From speaking with customers we have found out that our Space Rendering services are what they need the most,' she continues. Space Rendering is a three-dimensional diagramming solution that

allows a venue to show its customers exactly what their event space looks like in 3D, allowing them to go on a virtual walk through and feel as though they were sitting in their upcoming event.

'They are looking to use visual and three-dimensional technology to attract customers

to their properties,' adds Michener, who says customers have said this is the tool that will boost their marketing and sales, giving them the competitive advantage they need to help them through this tough economic time.

# Microsoft Corporation



Sandra Andrews, Hospitality Solutions Director for **Microsoft Corp.**, responded to our question by saying that: 'as instability continues to ripple through the global economy, it's clear that no one is immune to the effects of tighter credit and slower consumer and business spending.'

*'There's no doubt that this is a time when thoughtful business leaders must carefully access how to best utilize their resources to weather the uncertainty that lies ahead.'*

But with challenges come opportunities, says Andrews. Now more than ever is the opportunity for hospitality organizations to win loyalty by making an impression on their people and guests. 'While numbers are down, let's also look at the facts,' she says.

From a global perspective, the hospitality industry is still growing and history shows that brands which increase their marketing efforts during a recession gain a long-term advantage over the competition. We're also in the midst of a period when key technology trends are creating opportunities for hotels to transform their businesses and deliver new innovations to their guests.

'So the question becomes, how do you make an impact but do it in a cost-neutral way?'

Andrews shares some examples of hospitality organizations making an impact without adding costs:

## Social Networking

Hospitality companies benefit from using personal social media networks to connect

with consumers. On **Facebook**, **Sheraton** has 14,000+ fans, **Westin** has 1800+ fans, and **Carnival** links **Twitter**, **Flickr** and **YouTube** to its page. There is no cost to social networking and it is an amazing way to get a brand in front of guests or employees.

## Automated Services

Guests like personalized service, and technology today can exceed their expectations. **Domino's Pizza** cut costs and created a personal experience for customers through **Microsoft TellMe** automated ordering. The application uses caller-id to recognize callers' numbers, then remembers last order and offers to repeat it. **Domino's** now has a consistent order process that is personalized to the customer and fast (under two minutes).

## Review Outsourcing

Just as you should periodically review your personal mobile phone plan, it's wise to review the relationship you have with outsourced vendors. Does your situation today still require the same type of arrangement? **Coca-Cola** recently partnered with **Microsoft** for Online Services taking cost out of their business and offering their employees the latest and greatest messaging and collaboration capabilities.

## Go Green with your Wi-Fi

HSIA is expected in this industry, yet what is in place today can be costly and draining resources. Simplify with solutions that use less energy and fewer cables, yet offer higher performance. The **W Hotel** in Chicago replaced wired switches and a spotty network with a wireless network from **Xirrus** that

eliminated 102 access points and offers saving of more than 49,000 kWh per year.

## Manage your Customer Interactions

Not just with the people that walk through your doors, but your property owners and your investors. These are the most important people to the future growth of your business. Talk about ROI, keeping these folks happy and engaged delivers tenfold to your business. **Choice Hotels** and **Quiznos** restaurants utilize **Microsoft Dynamics CRM** through **Sonoma Partners'** customized Franchise Management solution.

## Promote your Location

Price, location and brand are the three primary factors driving purchasing decisions. What are you doing to show off your location? No need for massive re-investment, just make sure location is central to your offerings. **Marriott** utilizes **Microsoft Virtual Earth** to allow users to map their trip, from any Marriott page just "click on the map to plot events, transportation and more".

## Explore New Revenue Channels

The opportunity to monetize in new ways exists with solutions like **TableTop Media** and **SuiteLinq**, both of which are in pilot around the country.



Sandra Andrews,  
Microsoft's Hospitality  
Solutions Director

Elfiq Networks provides bandwidth management and network security solutions. The company's flagship [Elfiq Link Balancers](#), "FAVE" Award winner at HITEC 2008, enable organizations of all types and sizes to manage multiple Internet and private WAN links.

JP Hebert, VP of Business Development, thinks that Internet access for hospitality properties in the current economic climate is both a challenge and an opportunity, where guests are becoming more demanding of this service as it becomes critical to their daily business activities.

He says that customers are constantly

adding new services to the ones they use, including mobile VoIP applications, more videoconferencing, and entertainment tools such as [Slingbox](#).

'Hospitality properties are faced with the challenge of having adequate bandwidth to satisfy their guests' growing needs and ensure satisfaction and loyalty, or have to face the possibility of losing customers in difficult financial times,' notes Hebert. 'The traditional way of adding bandwidth can prove long, complicated and expensive, while utilizing an Elfiq Link Balancer can save time, enhance customer stays, and reduce operational costs.'

He adds that by utilizing multiple ISP links concurrently from different ISPs using multiple technologies, properties can ensure Internet access uptime. Should a link provider or technology fail, another (or more) is able to continue operations seamlessly until the defective one comes back to normal.

'From a cost-savings perspective,' concludes Hebert, 'the Elfiq products enable the use low-cost links such as DSL and cable modems. By utilizing these links and discontinuing the use of expensive links such as T1s, organizations can save thousands of dollars yearly if not monthly, simply by organizing bandwidth.' This process also enables faster throughput for guests.

## EZYield.com, Inc.



EZYield.com, pioneer in automated online channel management solutions for the global hospitality industry, has announced heightened demand for their products as economic markets continue to decline, affecting global travel.

According to EZYield, hoteliers are looking at more cost-effective ways to attract guests, such as OTAs and travel websites.

'A declining number of travelers to most markets requires hoteliers to be more aggressive with their marketing efforts, creating a larger need for third-party OTA

exposure,' said Henry Danish, CEO of EZYield.com. 'Hotel groups that previously didn't have a need to work with an array of travel partners are now finding it necessary to work with as many sites as strategically possible. Without EZYield.com, that isn't many.'

According to Danish, EZYield's customer services division has seen an increase in the number of channels managed per hotel, with hotels from the Asia Pacific region adding an average of 25 percent more travel distribution websites, the Americas region adding an average of 19 percent more, and the Euro-

pean region adding an average of 14 percent.

'It's interesting to see hoteliers doing it differently this time,' added Edward St. Onge, President of EZYield. 'Hoteliers are looking away from dropping rates to get heads in beds, and are concentrating on smarter distribution and strategic value propositions for travelers.'

He said that calls are flooding in as hotels try to gain market share by geographical location.

## Still have questions?

Our consultants will be happy to help you.

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# How Hotels Survive The Storm

## GHA Benefits From MICROS CRS



The **Global Hotel Alliance (GHA)** is the world's largest alliance of independent hotel brands and uses a common technology platform to drive incremental revenues and create cost savings for its members, while offering recognition and service to customers across all brands.

The GHA currently comprises 180 high-end hotels in 42 different countries and, despite a tough year in the industry, its ten members are seeing double-digit revenue growth and cost reductions in their CRS business.

[gha.net](http://gha.net) is powered by **MICROS' ORS** and

**MyFidelio** products and has delivered an additional 40,000 room nights to members this year compared to 2007—representing average revenue growth of over 25 percent.

Given these positive results, **Omni** and **Jurys Doyle** will be changing their CRS before the end of the year; and **Marco Polo** and **Anantara** will do so early next, bringing all GHA's ten members onto the same CRS platform. This will improve the association's ability to drive cross-brand revenues through its marketing activities and its proprietary website. Members can also book each other's hotels through their own sites, giving more choice to customers and keeping

revenues within the **micros**<sup>®</sup> GHA Group.

Chris Hartley, GHA's CEO, believes difficult times make the idea of an alliance more compelling. 'Look at the airlines, which are strengthening their alliance relationships to protect themselves from escalating costs and falling revenues,' he says.

Hartley thinks the hotel industry has similar challenges to face, sharing many of the same customers. 'GHA provides a haven for independent brands, especially during these turbulent times.'

## Starwood Sees Sharp Decline



**Starwood Hotels & Resorts Worldwide, Inc.** recently said that profit will fall in 2008 and 2009 as the global financial crisis erodes leisure and business travel spending faster than they had predicted.

Starwood CEO, Frits van Paasschen, has responded to the economic downturn by cutting employees, closing sales centers

and trimming expenses at Starwood's **Sheraton** and **Westin** hotels, and an acquisition is being considered.

According to Vasant Prabhu, Starwood's CFO, the string of crises in mid-September saw the start of an immediate, global deterioration in group-booking pace, cancellations and transient stays.

In Asia the chain saw healthy Revpar growth in July and August turn negative in September and October.

'In Latin America, Middle East & Africa, which are mostly natural-resource economies, the trend remains robust and stable, but we anticipate some slowdown as commodity prices have collapsed,' said Prabhu.

## Accor Sees EzRMS As Vital Asset



James Merchant, Director of Revenue – Australia, for **Accor Hospitality**, wrote to tell us that he thinks the travel and tourism sector is experiencing challenging times, and while Accor's wide range of hotel brands places the group in a strong position to weather the storm, their emphasis is clearly on driving whatever revenue options



that are available.

This is where automated Revenue Management systems such as **EzRMS** come into play, notes Merchant. Travellers will be looking for bargains, and are expected to shop around more for better deals. 'EzRMS has provided our hotels with a much heightened level of business

intelligence in their respective markets,' he says, 'allowing them in many cases to be more responsive and more proactive than our competitors.'

It also enables efficiency in reporting, rate management uploads and business evaluation, but most importantly it provides sound guidance through selling strategy

and rate recommendations.

Merchant tells how the full integration of competitor rate-shopping, third-party channel management, and detailed displacement & contract analysis really helps with decision making.

'In a period when most organizations are having a real challenge putting forward

financial forecasts, an automated RM system is a vital asset to our properties,' he states.

Paul Margaillan, MD of **EasyRMS** adds: 'The Hospitality Industry has always viewed Revenue Management applications as tools to be used only in the good times, optimizing revenues in over-demand scenarios. This of course is a valid use of such tools but we are delighted to see that finally people under-

stand the benefit of such technology in times of economic crisis.'

He says that global chains continue to invest heavily in RM systems today in order to help them through these uncertain times – 'which confirms that such technology is an essential asset in these ever changing market conditions.'

## Capton, Inc. And Mohegan Sun



In recent news, **Mohegan Sun**, one of the largest gaming, entertainment, shopping and meeting destinations in the US, announced that **Capton, Inc.**'s RFID-based **Beverage Tracker** business solution is an integral part of monitoring their bar operations property wide.

The system is managing multiple venues and is expanding as more Mohegan Sun locations are opened. It is now deployed as a layered enterprise version, monitoring dozens of bars with multiple bartenders, and allowing configurations for different profit centers.



Richard Zazzaro, VP of F&B for Mohegan Sun, commented: 'The economic times we live in dictate finding not only the right business solution, but also choosing the right business partner to grow with you.'

With the technology, managers are given immediate visibility into KPIs and other metrics that were previously unavailable in beverage operations. Capton provides full training and works with bar managers remotely post-installation, examining the results of liquor sales vs actual pours, hunting for inaccurate pours, and maintaining scorecards for each bartender.

'The critical value of Capton's professional services in driving ROI cannot be overstated,' notes James Harris, Project Manager of Information Systems at Mohegan. 'We were able to establish ROI in under nine months, and even better, continue sustaining it. Capton is the ultimate competitive weapon.'

Mohegan Sun has seen liquor costs drop 2-3 percentage points, and also significant increases in bartender pouring accuracy, which the company attributes mainly to the reporting reviews, scorecards and other management tools available in Capton.

## IHG CEO Speaks To CNN



At the recent **IHG Americas Conference for Owners & Investors**, the CEO of **InterContinental Hotels Group (IHG)**, Andy Cosslett, spoke to **CNN** about how the group is facing the downturn. Below are a few of the discussion highlights.

It appears that IHG is investing in systems, technology and brand management, and is expanding fast in China, Russia and the Middle East.

However it is evident that IHG is moving into a difficult few months. 'But at this stage we seem to be quite resilient,' said Cosslett. 'We are very busy; still opening; and signing a lot of hotel deals.

CNN asks:

*Are you seeing any shift in what the traveler is prepared to pay for?*

AC: (People) want to know that they're getting value, and the big brand hotels offer a lot of value. You're plugged into a reservation system and you get loyalty points for your stay. Maybe 18 months ago people just accumulated loyalty points, but now they're a currency.

*What's the one thing on the horizon that could create trouble for IHG?*

AC: A tightening in the financial and lending markets can't be good long term...

*Who doesn't survive in this industry?*

AC: The (people) who are not connected to a big system such as big loyalty scheme or a reservation center.

*Do you fear a price war?*

AC: In the face of all this economic pressure, the rates charged in hotels in America are 4-5 percent higher than they were this time last year. As long as you're offering value, the customer will pay.

*What's the one thing that's bad value?*

AC: I think we're charging too much for phone calls in an era where people are turning up with their own mobile phone.

# Hotel Aiken Helped By GuestCentric SaaS

In November it was reported that **Hotel Aiken**, an independent 64-room hotel in South Carolina, has seen its online revenue increase since the launch of a new website and booking platform, using **GuestCentric's** SaaS. Hotel Aiken can now offer guests online real-time availability and pricing, hotel discounts, and a streamlined shopping experience.

Just two weeks after the new Guest-Centric-powered booking engine was implemented, online bookings at Hotel Aiken had increased by 200%, and at the

end of the month-long free trial the property was able to create an online marketing campaign that saw visitors to the website increase by 560%.

'We want to be able to offer our guests an unforgettable online experience by providing them with a user-friendly website and a secure and easy-to-use booking engine to speed up the reservation process, and most importantly, receive instant confirmation of their reservation,' said Lindsey Wise, Hotel Aiken's Sales Coordinator & Customer Care Director.

The GuestCentric  online service offers smaller, independent hotels an economical online marketing and distribution tool to drive more bookings using the Internet channel – something that was previously only accessible to larger hotel businesses, and involved expensive and lengthy custom development.

'Now we can keep the hotel's website looking fresh by updating content at anytime from anywhere,' added Wise.

# SoftHotel In Boomerang Hotels



**SoftHotel, Inc.** provides SoftHotel - a set of integrated, web-based tools & services that offer a consolidated view of all revenue management opportunities and guest servicing needs in a simple, manageable product. SoftHotel technology is keyed toward using a relational rate strategy and simple market controls  designed for distribution channels to increase revenue.

A recent customer is Dennis Cummings, Director of RM for **Boomerang Hotels**, whose brands are **Settle Inns** and **GuestHouse International**.

According to Cummings, the first Boomerang property only began using SoftHotel around 3-4 months ago, but the chain is already seeing the benefits. He

says its main advantage is that corporate can now tap into its system and see how franchisees are managing their rates. Soft Hotel enables Boomerang to work with its properties and suggest how to adjust rates – up or down. 'We have more options than before in terms of being able to set rates,' he notes.

SoftHotel offers Boomerang 'a different view', as previously, corporate had no access to individual properties systems and so couldn't review rate settings or see if any had been missed.

The revenue manager explains how with most PMS, each rate category needed to be raised individually – but with SoftHotel, all rates come off one rate. In this way, hotels only have to change one key rate, and others

adjust accordingly. 'It's much easier to adjust all rates and to remain competitive,' he explains, and feels that historically, the raising rates process was a daunting exercise and one that managers tended to put off doing.... but with SoftHotel users only need to adjust one rate, making it easier to manipulate rates.

Cummings tells how property managers are already reporting that SoftHotel offers very easy training, due to its interactive training module. He estimates that an active property within the group probably saves around 3-4 hours of manager's time a week using SoftHotel.

'SoftHotel is very easy to use, so there's no putting off the task. Our properties can be proactive as opposed to reactive.'

# InfoPrint Boosts Best Western Revenues



Colorado-based **InfoPrint Solutions Co.**, a joint venture between **IBM** and **Ricoh**, is a global enterprise focused on the output market.

In October, InfoPrint launched a TransPromo (transaction document plus promotional messaging) pilot for **Best Western International**, as part of the **The Chief**

**Marketing Officer (CMO) Council's** Precision Promotion campaign, which explores strategies and techniques for customer revenue optimization.

The CMO Council focuses on high-level knowledge exchange, thought leadership and personal-relationship building for corporate marketing leaders and brand decision-makers in a range of global industries.



TransPromo combines transactional data with promotional documents and information to provide more targeted marketing on trusted documents, so is a cost-effective way to reach customers. The sustainable and revenue-generating pilot sent personalized and relevant promotional offers to Best Western Rewards members via their statements.

'While providing special offers to customers is not a new concept, the ability to offer existing customers relevant and targeted promotions that enable a brand to remain engaged throughout the billing cycle really is,' says Lee Gallagher, Manager of Direct Marketing Solutions at InfoPrint.

'This is particularly important in a crowded market and our current economic environment, where a brand needs to differentiate to reduce churn and retain a trusted customer base.'

*The results of the eight-week long pilot show up-tick in hotel stays, drastic spikes in Best Western Rewards MasterCard registrations and revenue increases to the hotel chain.*

'CMOs are confronting a new set of challenges that require innovation,' he continues. Plus, the market demands more ROI for every dollar spent, and as a result of the current worldwide economy, cautious customers are preparing for tightening purse strings and shrinking budgets. 'But it's not all doom and gloom,' he adds, noting how Best Western saw improvements in just eight weeks with the campaign.

TransPromo is a way to nurture and cultivate stronger relationship with customers. 'With an astounding ROI of 278%, and 30% plus increases in reservations, stays and revenue; the re-invention of the monthly statement has earned a second look,' states the manager.

He then points out that the TransPromo trial began when public awareness of the current financial crisis became apparent. 'Despite all of this, we still saw an up-tick in registrants for the Best Western-branded MasterCard,' he says, which 'is a perfect demonstration of the success of timely, personalized communications.'

Ryun Lambson, Marketing Programs Manager at Best Western, told us that in the initial thirty days response window, Best Western saw the following results:

- 15% lift over control segment for program registrations within the first 30 days of the campaign
- 39% lift over control segment for number of stays
- 34% lift over control segment for number of nights stayed
- 30% lift over control segment for revenue generated
- 500% lift over control segment for the Best Western Rewards MasterCard application
- ROI for the test group 278% vs. 178% for the control group

Lambson added that: 'More than ever, Best Western is committed to working smarter. InfoPrint not only increases the ROI of our customer communications, but it provides cost savings (paper, postage) and reduces environmental waste.'



# Internet Marketing News & Views

## Travelscream Technologies



TravelScream delivers web marketing and social media solutions designed to maximize online presence and grow incremental sales quickly, easily, and cost-effectively. These solutions were not actually designed for recession, but are now helping hotels achieve success with incremental bookings from travelers around the world.

Tom Griffin, Founder & CEO, says that if marketers must make cuts, they should be on traditional advertising, while moving budgets to media that are close to the point of purchase, such as social media, mobile, email, and the brand website. If this strategy is combined with good travel deals, hotels can cost-effectively make sales despite the recession, he comments.

Travelscream's Web 2.0 Toolkit can be used to increase customer engagement and keep them on the website for as long as possible, providing compelling, user-generated content. The turnkey solution

includes interactive maps, guestbooks, video and forums which all add value to the customer experience and to the bottom line.

Historically, says Griffin, 'during recession periods people actually spend more of their disposable income on affordable entertainment, so making their travel planning options as cheap and easy-to-use as possible will help hotel companies maintain a leading edge both now and in less lenient times.'



Travelscream's Web 2.0 Toolkit



TravelCLICK, global provider of hotel e-commerce solutions, works with its clients to create personalization that allows them achieve their booking and revenue goals. TravelCLICK's total solution includes distribution services, web/GDS marketing, and market intelligence. Robert Post, CEO of the company, says that 'focused, effective online marketing captures direct business share and strengthens preferred partnerships with travel agents and third-party providers to broaden marketing reach.' He lists three targeted strategies to leverage online market opportunities and create new segment niches to protect business when demand cools:

*Take an honest look at your business* – Evaluate your hotel's marketing; what is successful and what is ineffective in your sales processes? Analyze marketing campaigns, pricing, business mix and RM tactics.

*Build a 'demand map'* – Evaluate where and how demand for your property and your competitors is generated and how might it change. List sources of business, segment mix and markets.

*Create a total web marketing plan to drive revenue* – Attract business with online marketing that converts more shoppers to bookers; brainstorm ways to use your site to increase revenue from each in-house guest.

Post also advises hoteliers to build a solid Internet revenue plan that includes: Pay-per-click advertising; SEO; new services to increase revenues from repeat guests; partnerships with third-party stakeholders who can deliver customers; updated website with compelling, clear calls to action and valuable information; RM tactics that reflect the market; and targeting new markets.

'To ensure your marketing strategy is successful, continually monitor its results and refine tactics to adjust to shifting markets,' says Post, noting that business innovation arises out of need in tough times. 'Remember,' he says, 'a new growth segment may be hidden behind the next market shift waiting for you to meet their needs. Following these guidelines will help you continue to build your business during a slower market.'

## Vizergy



Open Hospitality, global provider of hotel Internet marketing solutions, has introduced QuickStart, a cost-effective solution to generate an immediate online presence and create hotel bookings.

The web booking solution enables hoteliers to have rapid impact with more potential consumers and then capture those bookings

First a revolutionary, strategic, marketing planning tool that allows properties to have cost-effective, productive, marketing campaigns, customized for seasonal demand generators. Another new product is My Web World Publisher, a user-friendly content management platform that gives properties control of their website content. V-Sites is a set of quick-to-launch template website designs.

## Open Hospitality



At a time when competition for consumer attention is one of the hotel industry's main concerns, **Open Hospitality**, global provider of hotel Internet marketing solutions, is helping clients survive the storm. The online service provider creates customized and informative websites for hotel clients that improve search engine rankings, attract qualified traffic, and convert visitors into customers.

seen, whether by search or referral. The team at Open Hospitality has worked like a laser beam, focusing on SEO to maximize our exposure.' He says they have been relentless in ensuring that the resort employ superlative SEO as well as email blasts that have the ability to get results.

In order to survive, hotels must produce reservations and new bookings. 'Efforts that drive results are critical in a highly competitive market like ours,' adds Rozatti, who says interest in the hotel's website has now grown.

Open Hospitality recently introduced QuickStart, a cost-effective solution to generate an immediate online presence and create hotel



John Rozatti, Director of Sales for the **Cortona Inn & Suites Anaheim Resort** comments: 'Critical to any business represented on the Internet is the ability to be

*Cortona Inn & Suites Anaheim Resort*

bookings. The web booking solution enables hoteliers to have rapid impact with more potential consumers and then capture those bookings online. Hotels are offered a choice of twenty websites and Open Hospitality ensures optimization for the major Internet search engines.

As hotels search for affordable solutions that drive high-margin online revenues, QuickStart offers immediate access to a wider range of Internet marketing strategies at a fraction of the cost of buying these services individually.

# Top Tips For Tough Times

## Online Hotel Marketing Tips



HVS is a global consulting & services firm serving the hospitality and leisure industries. Sachin Suri, Associated Director at HVS, believes hotels' growth is directly related to the health of the economy, so marketing budget shrinks and hoteliers need to be careful about how to spend wisely; they need to identify which marketing methods work and which don't. 'The ROI for online marketing spending is faster than almost any other form of hotel marketing,' he says.

'The main objective of all online marketing efforts should be to attract the right visitors to the website and encourage them to make a reservation,' he states. If used effectively, Suri thinks the Internet can provide the required exposure and incremental business for a hotel and can produce a large portion of a hotel's overall business.

Suri also notes how the Indian market has seen a 19% increase in regular web users this year over 2007, and now has eight million active online buyers. With regular users already reaching 40 million, search engines like **Google, Yahoo** and **MSN** are becoming an important marketing tool for Indian companies in all industries.

'Online marketing will soon become the preferred mode of advertising for many businesses in India, and now that most web users use search services and buy online, online marketing is becoming an active advertising model for result-oriented projects there,' says Suri.

*In 2008, 37-38 percent of all hotel bookings will be generated from the Internet, with another third of all hotel bookings influenced by the web but done offline. All major hotel brands now generate over 40 percent of bookings via their websites, and by the end of 2010, over 45 percent of all hotel bookings will be completed online.*

The Internet is now the most important distribution and marketing channel in the hospitality industry, continues Suri, so web-related campaigns in a hotel's marketing mix make sense. Almost totally measurable, Internet Marketing allows for quick evaluation and continual adjustments.

## ISHC Makes Some Suggestions



Jerry Morrison, from the **International Society of Hospitality Consultants (ISHC)**, recently published some suggestions for hoteliers to consider in today's unstable economic climate:

- Ignore your previous market studies, financial forecasts and budgets
- Ignore the economic pundits and plan for the economic downturn to be more severe and longer than experts predict
- Don't close the marketing department; find imaginative rate/package strategies and study guest history and the competition
- Stick to what you know and don't try to compete head to head with properties that are not primary competitors
- Be proactive - address and manage guest comments and blogs
- Don't reduce preventative maintenance programs and don't defer cosmetic upgrades if funds are available
- Beware of reducing standards to a point of no return
- Be careful not to "burn out" management and supervisors in the process of reducing labor costs
- Use this opportunity to evaluate and train / re-train staff
- Constantly monitor schedules and overtime in light of occupancy
- Remember that younger employees have never seen a downturn of this magnitude
- Look at and critically analyze the performance of your management company and franchisor and don't hesitate to ask them for help
- Use an experienced third party to help review the company's process and conclusions



## Technology Best Practices in Turbulent Times

In these turbulent times, key actions and decisions regarding your technology can have an immediate and significant impact on your business. Here are a few suggestions from Accuvia, the leading IT consulting firm in the world focused on the foodservice, lodging, and retail industries.

1. Audit your maintenance agreements
2. Analyze Help Desk and Support programs and practices
3. Audit purchasing levels and programs for supplies and equipment
4. Look at reducing servers and related maintenance through virtualization
5. Audit your automated forecasting systems and underlying assumptions
6. Add web ordering capabilities
7. Evaluate or implement a loyalty program targeted toward building sales over the next 12 months
8. Increase points of purchase to make it easier for customers to do business with you
9. Focus on basics—taking care of the customer. Use appropriate technologies to enhance your customer experience
10. “Top Grade” your human capital to increase the quality of your team—HR technology can make this easier to manage and improve your results
11. Establish “Best Practices” across all facets of your enterprise
12. Use consultants and other outsourced resources for specific projects rather than increasing headcount

The best operators in the world have selected Accuvia to help them develop IT strategies, select appropriate systems and technologies, and to provide project management and roll-out assistance, Accuvia can also provide outsourced resources, from CIO to Business Analysts, on an outsourced or retainer basis. Contact Accuvia today to see how we can help you maximize your return on your IT spending.

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## Vendors Featured In This Issue...

|  |                   |  |
|--|-------------------|--|
| Ariane Systems                             | (33) 1 4810-6100  | <a href="http://www.ariane-systems.com">www.ariane-systems.com</a>                       |
| Capton, Inc.                               | (800) 808-4224    | <a href="http://www.captoninc.com">www.captoninc.com</a>                                 |
| Easy (Ez) Revenue Management Solutions Ltd | (44) 20 7495-0773 | <a href="http://www.ezrms.com">www.ezrms.com</a>   |
| Elfiq Networks                             | (514) 667-0611    | <a href="http://www.elfiq.com">www.elfiq.com</a>   |
| EZYield.com, Inc.                          | (407) 629-0900    | <a href="http://www.ezyield.com">www.ezyield.com</a>                                     |
| Flyte Systems                              | (877) 463-5983    | <a href="http://www.flytesystems.com">www.flytesystems.com</a>                           |
| GuestCentric                               | (203) 517-0720    | <a href="http://www.guestcentric.com">www.guestcentric.com</a>                           |
| Hewlett-Packard Company                    | (650) 857-1501    | <a href="http://www.hp.com">www.hp.com</a>   |
| HVS  | (516) 248-8828    | <a href="http://www.hvs.com">www.hvs.com</a>   |
| IBM Corporation                            | (800) 426-4968    | <a href="http://www.ibm.com">www.ibm.com</a>   |
| InfoPrint Solutions Company                | (877) 646-3677    | <a href="http://www.infoprintsolutionscompany.com">www.infoprintsolutionscompany.com</a> |
| Maxim Revenue Management Solutions         | (773) 665-1400    | <a href="http://www.maximrms.com">www.maximrms.com</a>                                   |
| MeetingMatrix International, Inc.          | (603) 610-1620    | <a href="http://www.meetingmatrix.com">www.meetingmatrix.com</a>                         |
| MICROS Systems, Inc.                       | (443) 285-8144    | <a href="http://www.micros.com">www.micros.com</a>                                       |
| Microsoft Corporation                      | (425) 882-8080    | <a href="http://www.microsoft.com">www.microsoft.com</a>                                 |
| NFS Hospitality                            | (44) 1920-485725  | <a href="http://www.nfs-hospitality.com">www.nfs-hospitality.com</a>                     |
| NORTHWIND-MaestroPMS                       | (404) 256-5512    | <a href="http://www.maestropms.com">www.maestropms.com</a>                               |
| Open Hospitality, inc.                     | (212) 989-7227    | <a href="http://www.openhospitality.com">www.openhospitality.com</a>                     |
| Resource Technology Management, Inc.       | (407) 998-8020    | <a href="http://www.rtm-inc.com">www.rtm-inc.com</a>                                     |
| Ricoh Americas Corporation                 | (973) 882-2000    | <a href="http://www.ricoh.com">www.ricoh.com</a>   |
| SoftHotel, Inc.                            | (800) 656-7509    | <a href="http://www.softhotelpmx.com">www.softhotelpmx.com</a>                           |
| Sonoma Partners, LLC                       | (312) 627-0700    | <a href="http://www.sonomapartners.com">www.sonomapartners.com</a>                       |
| SuiteLinq, Inc.                            | (610) 917-3863    | <a href="http://www.suitelinq.com">www.suitelinq.com</a>                                 |
| TableTop Media                             | (214) 443-2060    | <a href="http://www.tabletopmedia.com">www.tabletopmedia.com</a>                         |
| Tiare Technology, Inc.                     | (856) 489-1012    | <a href="http://www.tiaretech.com">www.tiaretech.com</a>                                 |
| TravelCLICK, Inc.                          | (847) 969-0820    | <a href="http://www.travelclick.net">www.travelclick.net</a>                             |
| Travelscream Technologies                  | (970) 476-0440    | <a href="http://www.travelscream.com">www.travelscream.com</a>                           |
| VisionaryFX, LLC                           | (603) 610-1650    | <a href="http://www.visionaryfx.com">www.visionaryfx.com</a>                             |
| Vitruvian, LLC                             | (877) 273-5688    | <a href="http://www.vitruvianllc.com">www.vitruvianllc.com</a>                           |
| Vizergy                                    | (904) 389-1130    | <a href="http://www.vizergy.com">www.vizergy.com</a>                                     |
| VMware, Inc.                               | (877) 486-9273    | <a href="http://www.vmware.com">www.vmware.com</a>                                       |
| Xirrus Inc.                                | (805) 262-1600    | <a href="http://www.xirrus.com">www.xirrus.com</a>                                       |