

THE OVERVIEW

ISSN 2048-4844 DECEMBER ISSUE 2017

New Year, new trends



HOSPA Professional Development prize winners
Testing your loyalty

Welcome to THE OVERVIEW

As the year rolls to a close and Theresa May racks up those Eurostar points between here and Brussels, the sector would be forgiven for thinking that the new year was going to feature an even more ghastly hangover than normal, in which everyone wakes up and discovers that they have to clean up themselves because the staff have permanently gone home and "ice and a slice" was now just "ice" because the cost of importing lemons made it more cost effective to scrape the windscreen into an ice bucket every morning.

But despite the general wailing and renting of clothes - the latest CGA survey finds, of course, a fall in optimism (30% of leaders of restaurant, pub, bar and coffee shop groups are cheery about general market prospects for the next 12 months - down from 47% in the first quarter of 2017) there remains a blind belief that it's going to be OK.

The study said that 57% of business leaders were concerned about consumer confidence over the next six months, but that only one in eight was pessimistic about their own business' prospects for the next year.

Barclaycard didn't have much to bolster the mood, reporting that consumer spending growth fell to 2.8% in November, a drop in real terms. Barclaycard said: "Consumer sentiment has deteriorated over the last couple of months after a prolonged period of falling purchasing power....against this backdrop, it's not surprising that consumers continue to spend conservatively, leading to a second successive month of contraction in real terms."

So what can be keeping a smile on the face of these business leaders? Without knowing too much of the survey's methodology, it seems unlikely that it was undertaken at 3am, when the truth will out. What has marked the sector out in recent years is the drive to entrepreneurialism, with the conviction that a brand based purely around oversized Yorkshire puddings, or the Cronut, or vegan burgers, was set for success. And, with a consumer driven by a taste for the innovative (Instagram always front of mind), both parties have so far been well served.

Those who survive the next phase will have to turn that innovation to the less-glamorous areas of their business, costs and staffing. New Year 2019, with Brexit weeks away, will reveal the winners.



Katherine Doggrell

Editor | katherine.doggrell@hospa.org

→ In December's issue...

- 2. Introduction
- 3. CEO's column
- 4. HOSPA board changes
- 6. Revenue Management publication
- 7. Future trends
- 9. Entrepreneur awards
- 10. Green hotels
- 11. Education prize winners/ Learner results
- 13. Guest reviews
- 15. Loyalty programmes
- 17. Asset management
- 20. Falling optimism
- 21. Profit conversion falls
- 22. Events

HOSPA

Hospitality Finance, Revenue and IT Professionals

CEO

Jane Pendlebury
jane.pendlebury@hospa.org

Editor

Katherine Doggrell
+44 (0) 7985 401 831
katherine.doggrell@hospa.org

Editorial Board

David Nicolson
Chairman - Finance & Accounting Committee

David Derbyshire
Chairman - Information Technology Committee

Michael Heyward
Chairman - Revenue Management Committee

Alec Jones
Taxation Committee

Membership & Events

Robert Maloney
Membership Officer
rob.maloney@hospa.org

Tel: 0203 418 8196

Professional Development

Debra Adams
Head of Professional Development
debra.adams@hospa.org

Jane Scott
Programmes Coordinator
jane.scott@hospa.org

Tel: 01202 889 430

Publisher

Hospitality Professionals Association

The Overview online

You can login to the membership area on the HOSPA website and read this journal online plus archived copies in the members' area are available at: www.hospa.org

**HOSPA, Longdene House,
Haslemere, Surrey, GU27 2PH**

Cloud-based hospitality software for hotels, groups, apartments and pub chains

Sponsor of The Overview



www.guestline.com • sales@guestline.com • +44(0) 1743 282300

Share your tips



Traditionally, the business of tipping in our industry has been a controversial subject. Practices in this respect appear to differ from one establishment to another – everything from inclusive cover charges and discretionary charges, to the encouragement of cash tips.

With this in mind, we are planning at HOSPA to put together a 'best practices' document for sharing with our members and beyond. To that end, we are researching the service charge practices of hotels and restaurants. To do this, we have created a relatively simple survey, available at <https://www.surveymonkey.com/r/hospatips1>.

We are grateful to those of you who have already shared with us your tipping practices. If you have not had the chance to do this yet, we would greatly appreciate it if you would take a very short time out of your busy schedules to assist us in gathering enough data to generate an overall picture of current systems in place. Thank you in advance for your help with this. Be assured that we will not be naming and shaming, judging or publishing any individual details!

2018 is already shaping up to be a great year for HOSPA. We have a lot of member activities planned, as you will see from the calendar on the website and on the back of this edition of The Overview. We are determined to cover a vast range of subjects - everything from highly topical issues such as General Data Protection Regulation (GDPR), IT developments and security, through to social events such as our extremely popular fun-filled quiz nights in Glasgow and London. With such active and enthusiastic HOSPA community leaders (See overleaf for new HOSPA appointments), it is going to be an unmissable programme of members' meetings and social events!

In addition, 2018 will see us partnering some of our main sponsors and fellow major industry associations to offer joint

events to the hospitality industry in, and outside, London. To keep regularly updated, visit our website: hospa.org.

2017 has been a very productive year for HOSPA - from moving HOSPACE to central London, to our successes in Professional Development. I want to take this opportunity to once again thank the HOSPA team. Though it is not large, it does deliver great things through hard work and dedication to the industry.

In this respect, I would like to give special thanks to Julian Demetriadi who for the past ten years had been our Press Officer. He is leaving us to concentrate on researching and writing a major book, commissioned by one of his clients. We wish him every success and are indebted to him and his CommunicationsPoint consultancy for their contribution to the Association's successful development and growth.

As many of you will remember in 2011, CommunicationsPoint played a major role through Julian's late wife and business partner Sue, in the successful rebranding of the British Association of Hospitality Accountants into HOSPA; and the BAHA Annual Conference and Exhibition into HOSPACE. Indeed, Julian tells me that when he first came on board in 2007, the then BAHA Annual Conference and Exhibition attracted fewer than 100 delegates; today, as we know, that figure has grown to nearly 500!

So, it is onward and upward for HOSPA. Merry Christmas and see you all in 2018!

→ BOARD CHANGES

HOSPA elects new Chairmen for its Hospitality Finance, Revenue Management and IT Community Committees

The board of HOSPA has elected new chairmen for its Hospitality Finance Community Committee, Revenue Management Community Committee, and IT Community Committee.

David Nicolson, Vice President Finance - Europe, Jumeirah Group, is the newly elected Chair of the HOSPA Finance Community Committee. Former Deputy Chair of the HOSPA Finance Community Committee, David has taken over from Paul Nisbett, Finance Director Valor Hospitality Europe, who has stepped down from the voluntary role following three productive years at the helm.

The new Deputy Chair of the HOSPA Finance Community Committee is Dr. Roberto Amodei, Area Director of Finance UK & Ireland, Hyatt Hotels Corporation.

Commenting on his appointment, Nicolson said: "This is a fantastic opportunity to work with fellow members of the HOSPA Finance Community. I look forward to working closely with them and sharing best practice with our HOSPA members."

Ally Dombey-Northfield, Director, Revenue by Design, has been elected the new Chair of HOSPA's Revenue Management Community Committee. She replaces Michael Heyward, Managing Director, Heyward Hospitality Solutions, who has done much to increase the active involvement of the committee for the good of the Association and the industry over the past two years. The new Deputy Chair of the HOSPA Revenue Management Community Committee is Ben Chapman, Commercial Director, Strand Palace Hotel, London.

Commenting on her election, Ally Dombey-Northfield said: "The aim is to continue the excellent progress made with the HOSPA Revenue Management educational program, and to further develop the involvement of the revenue management community outside of London. We have made some inroads in engaging an extended community over the past year through events in Birmingham, and previously Manchester; now is the time to build upon those efforts."

David Derbyshire - Director IT Service Delivery, EMEA (Europe, Middle East and Africa) Field Technology Services, Hilton Worldwide - is the newly elected Chair of the HOSPA IT Community Committee. He succeeds Bryan Steele, Managing Director of Jireh-Tek, who has relinquished the voluntary role after six years of dedicated service and commitment.

Commenting on his appointment, David Derbyshire said: "I am really excited to be taking a lead role on the HOSPA IT Committee, in partnership with our new Deputy Chair of the HOSPA IT Community Committee David Pryde, Head of IT, Strand Palace Hotel, London.

"During my tenure as Chair, I would like our HOSPA IT Community to widen its partnership with the Association's Finance and Revenue Management Communities, as well as broaden the scope of HOSPA's industry connections to a greater section of the hospitality industry. This would go beyond hotels and technology providers, to other industry segments such as foodservice and recreation. I'd also like our HOSPA IT Committee to further develop the IT qualification pathway."

HOSPA Chief Executive Jane Pendlebury said: "We are delighted and greatly honoured that three such respected leaders within their respective HOSPA disciplines as David Nicolson, Ally Dombey-Northfield and David Derbyshire, have seen their way to taking on these vitally important responsibilities. They bring with them a wealth of experience and knowledge that will prove invaluable in keeping HOSPA members abreast of the latest trends and issues in hospitality finance, revenue management and IT. Also a big welcome to our three new HOSPA committee deputy chairs.

"Words cannot adequately express our gratitude to Paul Nisbett, Michael Heyward and Bryan Steele for their commitment to HOSPA and the immense contributions they've respectively made to the success of HOSPA's Finance, Revenue Management and IT Communities. Indeed, Bryan was our very first IT Community Committee Chair following the rebranding of BAHA as HOSPA in 2011, and the creation of our core IT, Finance and Revenue Management Communities.

"I am also very pleased to announce that Michael Heyward is staying on the HOSPA board in the newly created role of HOSPA Ambassador for the UK regions outside London."



New HOSPA Finance Community Committee Chair, David Nicolson



New HOSPA IT Community Committee Chair, David Derbyshire



New HOSPA Revenue Management Community Committee Chair, Ally Dombey-Northfield

HOSPA

Hospitality Finance, Revenue and IT Professionals

Professional Development

Study with us on our flexible online programmes in Hospitality Finance

The HOSPA Financial Management and Accounting programme is the only course of its kind providing future finance managers in hotels, restaurants and leisure with an industry specific in-depth programme of study.

The course is focused on the requirements of the sector combining best practice from the Uniform System of Accounts for the Lodging Industry with statutory accounting. Studying with us:

- Provides the first step towards a professional accounting qualification
- Develops the skills and knowledge to manage a hospitality finance department
- Graduates receive exemption from two components of the CIMA Certificate in Business Accounting (2017 syllabus)
- Leads to HOSPA Associate (Cert Finance) membership of HOSPA on completion
- Is convenient and relevant to your career in hospitality finance

Enrolling now for March 2018, to learn more contact us:

education@hospa.org / +44 (0)1202 889430

www.hospa.org



HOSPA

Hospitality Finance, Revenue and IT Professionals

Professional Development

Learn about Revenue Management with HOSPA

This modular programme is delivered online and provides an opportunity to study in-depth the revenue management strategies and techniques applicable to the hospitality sector. You will benefit from:

- Expert tuition and guidance from leading practitioners
- Up-to-date course materials and access to industry journals
- A convenient modular approach
- Relevant and practical learning
- HOSPA Associate (Cert Revenue Management) membership of HOSPA on completion of the full programme

Introductory modules are available for those new to Revenue Management leading to modules designed specifically to enable learners to apply the techniques to every day practice.

Enrolling now for March 2018, to learn more contact us:

education@hospa.org / +44 (0)1202 889430

www.hospa.org



Better read than misled



The eagerly-awaited second edition of HOSPA hospitality ebook ‘Revenue Management An Introduction’ - kindly sponsored by the Savoy Educational Trust - is now available for downloading free-of-charge from the HOSPA website, through iBooks and via eHotelier.

The second edition of the highly-acclaimed HOSPA Practitioners Series ebook, entitled ‘Revenue Management An Introduction’, is now available for downloading free-of-charge by Revenue Management practitioners, hospitality professionals and students.

Following on from the success of the first ebook, the latest edition from HOSPA is in an entirely new format. Sponsored by the Savoy Educational Trust, it has been totally revised with new content added to ensure it provides a current and valuable resource for its readers.

The publication, edited by HOSPA Professional Development Committee Chairman Professor Peter Jones MBE, is only available as an ebook and can be downloaded from:

- The HOSPA website at <http://www.hospa.org/en/education/revenue-management-ebook-download2/>
- Through iBooks at <http://itunes.apple.com/us/book/id720179222>
- Via eHotelier: <http://grow.ehotelier.com/ebook-revenue-management>

Contributor to the new edition and HOSPA’s Head of Professional Development, Debra Adams, said: “The updated ebook provides an invaluable introduction to the world of Revenue Management and how it can be used in the hospitality industry.

“A further new feature for readers of the ebook is that they can now apply to complete an online assessment to gain a professional certification from HOSPA - the Foundation Certificate in Revenue Management. We believe that this new Certification is the perfect addition to our existing range of professional development courses for supporting all those keen to develop their Revenue Management knowledge in the Hospitality sector.” HOSPA Chief Executive Jane Pendlebury added: “Reading the new edition is a great way to learn the basics of Hospitality Revenue Management. It is a must for anybody considering, or embarking on, a career in this exciting and evolving discipline.”

With over sixty pages of content as well as self-testing questions the ebook is the perfect introduction to many of the core aspects of revenue management including:

- Understanding the Customer
- Supply and Demand
- The Market
- Segmentation
- Pricing & Value Perception
- Distribution Techniques

This resource will be ideal for all those wishing to gain a better understanding of the function and for hospitality students studying Revenue Management.

Eight for 2018



Looking for inspiration for your 2018 travel? Booking.com has combined customer insights from over 128 million real guest reviews with research from 19,000 travellers across 26 countries around the world to reveal the biggest travel predictions for 2018.

New tech frontiers

Immersive experiences will reach the next level in 2018, with travellers looking to technology to help better understand a destination or accommodation before they book. Artificial intelligence and digital technology are helping consumers turn the corner when it comes to smart destination intuition, reshaping the way we research, book and experience travel. Almost a third (29%) of global travellers say they are comfortable letting a computer plan an upcoming trip based on data from their previous travel history and a half (50%) don't mind if they deal with a real person or computer, so long as any questions are answered. Over six in 10 (64%) of travellers say they would like to 'try before they buy' with a virtual reality preview, while 50% find that personalised suggestions for destinations and things to do encourage them to book a trip. Taking all the hard work and stress out of decision making, in 2018 technology will continue to guide us seamlessly to find the best stays and experiences for us.

From dream to reality

2018 is the year to dream big as 45% of travellers have a travel bucket list in mind and the majority of those (82%) will aim to tick one or more destinations off their list in the coming year. The yearning for experiences over material possessions continues and drives our desire for more incredible and memorable trips. With dwindling patience, instantaneous appetites and empowered by technology, travellers in 2018 will seize the moment like never before.

Most likely to feature on a bucket list is seeing one of the wonders of the world, as almost half of travellers (47%) will look to tick this off in 2018. Over a third (35%) yearn to tantalise their taste buds by trying a local delicacy, 34% want to head to an island paradise

and 34% are thrill seekers wanting to visit a world famous theme park. Adrenalin junkies should consider Orlando, USA, The Gold Coast in Australia and Dubai, United Arab Emirates the top destinations endorsed by Booking.com travellers for theme parks*. The other top travel activities to complete in 2018 look set to be experiencing a unique cultural event (28%), learning a new skill (27%), going on an epic road or rail journey (25%) and visiting a remote or challenging location (25%).

Retro reboot

As well as new experiences, travellers will be revisiting their favourite childhood memories as part of their trips in 2018. Blending the future with the past, next year's travellers will be inspired to return to previously loved destinations and explore them in a whole new way. A third of travellers (34%) will consider a holiday they experienced as a child for 2018.

The popularity of these vintage vacations stems from the feelings of nostalgia and happiness the destinations evoke. Travellers say that former family holidays recall the fondest memories, even more so than childhood sweethearts or family pets. Millennials look set to be even more sentimental with 44% of 18 to 34-year-olds keen to hark back to favourite family destinations. With 60% of travellers in 2018 intending to post on social media each day, we can expect to see these nostalgic places brought back to the future and captured for social posterity.

Pop culture pilgrimage

With the world at our fingertips, we rely on many sources to inspire us to travel to new destinations. Tapping into our passions is one way of helping to identify the locations most suited to us - from culture and entertainment to food and history. In 2018, television shows, films, sport and social media, in

particular, look set to have an increasingly significant sway over booking decisions, as travellers turn to pop culture for their travel inspiration. Reading blogs or watching YouTuber recommendations will spark ideas for four in ten (39%) travellers and on-screen locations from television, film or music videos will win over 36% of travellers in the coming year. More than a fifth (22%) of travellers will be tempted by travelling for a major sporting event, with 43% of those considering a summer of football in Russia.

The top television programme locations travellers most want to visit in 2018 are Croatia, Spain and Iceland inspired by Game of Thrones (29%), London as seen in Sherlock and the Crown (21% and 13%), New York and Manhattan from Billions (13%) and Los Angeles viewed in Entourage (10%).

Walk your way to wellness

The trend for wellness getaways isn't slowing down for 2018, with almost double the amount of people planning to take health and wellbeing trips in 2018 compared to 2017 (from one in 10 in 2017 to nearly one in five in 2018). Trips enjoying particular prominence will be those that involve travelling on two feet. A brilliant way to take in the local landscape, walking will be the ultimate way to explore next year, with 56% of travellers saying they want to do walking or hiking trips in 2018. A new generation of walkers will lace up their boots.

Other health and wellness inspired activities high on the travel agenda in 2018 include visiting a spa or receiving beauty treatments (33%), cycling (24%), water sport activities (22%), taking a full body detox holiday (17%), going on a yoga retreat (16%), running (16%) and undertaking meditation/mindfulness (15%). Embracing such experiences is popular with travellers, with 59% saying they prioritise experiences over material items when on holiday. Partaking in a health and wellness trip may also be good for the mind, as over half (55%) say that going on holiday is a moment for them to reflect and make better lifestyle choices - something which can be easily facilitated through a health and wellness trip.

Economic intuition

Every year, travellers are becoming savvier, especially when it comes to getting the most for their money. With significant numbers basing their travelling decisions on finance-related matters, 2018 will see travellers looking to be even more economically intuitive. Nearly half (47%) will take currency exchange rates into consideration when planning their travels for the year, and almost the same amount (48%) will think about the economic climate of a destination before making the decision to travel. Good news for the retail industry, a third of travellers (30%) also plan to make more purchases from airport duty-free shops in 2018 and one in four (26%) will even go on holiday specifically to buy goods such as fashion items because they are cheaper than in their home country.

More confident to follow their own intuition, travellers are less obliged to follow the herd, with over half (57%) wanting to do more independent travel in 2018, placing growing value on personalised endeavours, looking for the best deals and putting together their own packages - all with the help of apps and technology. Almost half of travellers (44%) will use travel apps

more in 2018, with technology continuously developing to make travel stress free in 2018. This includes geo-location technology directing you to your accommodation, all within one click from your app, or planning activities while on holiday in just a few simple taps of your smartphone, as over two in five (41%) expect to do in 2018.

The great mate escape

2018 is gearing up to be all about the group get-away. When asked who their 2018 travelling companions were likely to be, the segment with the biggest increase when compared to 2017, was travelling with a group of friends, increasing from 21% to 25%.

With 2018 shaping up to be all about the experience, it's not just about the destination but also the people that matter to create memories. Mate's escapes are the ultimate social time away from our everyday pressures, reducing stress and building connections with your friends. With the world only a click away it's never been easier to find the perfect place to stay and explore with a large group of friends looking for adventure across every corner of the globe.

Friend based getaways also have financial advantages as four in 10 (42%) said that joint holidays with friends will allow them to stay in accommodation they wouldn't be able to afford on their own.

Live like a local, not with one

In 2018, rental homes are going to be particularly popular - not just for travellers looking to stay in one, but also homeowners who are thinking of inviting others to stay in their own abode. One in three travellers (33%) say they'd prefer to stay in a holiday rental (a holiday home or apartment) over a hotel and one in five (21%) would consider listing their home on a travel accommodation site.

When it comes to playing the role of a host, travellers reveal that it isn't about having them there all the time. Travellers are keen to have a local experience and will look to hosts for their expertise, as a quarter of travellers say it will be important that their host has strong local knowledge about local food and places to visit (25%), but travellers will want the flexibility to interact with hosts on their own terms. In 2018, it will be important for travellers that their host is available but not too over-bearing (30%) and one in 10 (12%) want a host who they don't have to speak to at all.

Pepijn Rijvers, Chief Marketing Officer at Booking.com comments:

"As technology continues to advance, it's also advancing and enhancing the way we travel. It empowers us to plan the perfect holiday and makes it easier to explore further and with more confidence, flexibility and options than ever before."

"At Booking.com, we build and design everything we do around our customers, responding to their wants and needs when it comes to researching, booking and enjoying travel. As expectations evolve and new trends rise to the fore, we're excited to see how emerging technology can continue to help and guide people to get the best experience for them in 2018."

*Research commissioned by Booking.com and independently conducted among a sample of adults who have taken a trip in the last 12 months/plan to take a trip in the next 12 months. In total 18,509 respondents were surveyed (1,000+ from the UK, US, Brazil, China, Germany, Italy, Spain, France, India, Singapore and Russia and 500+ each from Australia, Argentina, Belgium, Canada, Denmark, Hong Kong, Croatia, Indonesia, Japan, Mexico, Netherlands, New Zealand, Sweden, Thailand and Taiwan). Respondents completed an online survey in August 2017.

Criton Apps wins prestigious 'HOSPACE2017 Best Entrepreneur' competition for suppliers to the hospitality industry



The prestigious annual 'HOSPACE2017 Best Entrepreneur' competition for suppliers to the hospitality industry has been won by Julie Grieve, Founder and Chief Executive of Criton Apps.

Julie's presentation on her company's self-built guest app service to hotels and serviced apartments won the most delegate votes at the recent annual HOSPACE2017 Conference and Exhibition of HOSPA.

Commenting on the award, HOSPA Chief Executive Jane Pendlebury said: "Huge congratulations go to Julie Grieve and her company Criton Apps on a superb winning presentation that wowed the HOSPACE2017 'Best Entrepreneur' competition judges by becoming a finalist, and then the HOSPACE audience who had the final say on the winner. We wish her and her company every success for the future."

For her part, Julie Grieve said: "I am honoured and delighted to have won this prestigious hospitality industry award, which I hope will be the first of many for Criton Apps."

Criton Apps is the UK's first self-built digital concierge for the hospitality market.

It was developed in direct response to a need that Julie Grieve encountered as the CEO of a serviced apartment operation. Frustrated by paper-based guest information books that quickly became shabby and out of date, she created a way to transfer this information on to a free-to-download customized app.

Offering a self-built guest app service to hotels and serviced apartments, Criton Apps was set up just under a year ago with personal funds and a Scottish Enterprise grant. Criton's software moves all guest-facing information on to a mobile app, viewed as an essential next step for the travel industry to keep pace with today's digital savvy traveller.

The app combines destination guides, guest and property management information. Deals with affiliate technology companies - Loop and Bubbl - also mean that the Criton app's functionality includes geo-fencing, or location based offers and promotions, and in-stay or in-app messaging. As an 'on-device' technology that literally lives in the guest's pocket, Julie explained

it has a far greater advantage over in-room technologies that do not have that mobility or flexibility.

Criton clients include leading Edinburgh establishments: The Chester Residence, and serviced apartments The Knight Residence, in addition to hotels and travel destinations in America, Australia, Portugal and Germany. Over the summer, Auchrannie Resort and Crieff Hydro became Criton's latest big name wins.

Criton recently gained new funds from a private investor to accelerate the company's growth as it looks to expand overseas. The new investment will allow Criton to boost staff numbers to more than 30 in two years with sales bases at home and abroad identified as a priority for early 2018.

Julie Grieve said: "We have achieved a lot in the first twelve months, both in customer sign-ups and awareness. Our app-builder offers independent hotels a guest facing technology which rivals anything offered by chains such as Hilton and Marriott and we are making an impact. This is a sector, however, where it is important to move fast and this investment will allow us to take Criton to the next level with more staff and an international sales team.

"We believe the future of travel and hospitality tech is on the guest's own device, where they can use their own phone or tablet to check-in, access their room and operate in-room appliances using the power of the Internet of Things. In-room devices are used briefly, if at all, during the guest stay because they want to use their own device both in room and when out and about.

"What's more, our technology is available to independent hotels and small chains - making it possible for them to offer guest facing technology that is world class.

"We now have the foundations and the funds in place to meet our growth ambitions. It is an exciting time."

Hotels set green targets



The International Tourism Partnership has launched the Hotel Global Decarbonisation Report, in which it clearly outlines the hotel sector's target for carbon reduction in order to meet the 2-degree Celsius cap set out in the Paris Climate Agreement.

The report shows that hotels need to reduce their absolute carbon emissions by 66% by 2030 and by 90% by 2050, against a 2010 baseline, to fully play their part in mitigating global warming.

Launching the report, ITP director Fran Hughes said, "These figures are significant, but we believe they are achievable. They are representative of the level of reduction the whole hotel sector needs to make in order to decouple its growth, from growth in emissions. The reductions individual companies need to make may vary, dependent on where they are located and their infrastructure. That's why we're encouraging hotels to develop their own science-based target."

The report by Greenview highlights a number of actions and new approaches hotels will need to adopt if they're serious about mitigating their contribution to climate change. Greenview developed the Hotel Science-Based Target Estimation Method for ITP's members to enable them to calculate their own target.

Hughes said: "ITP's members support our vision and our four ITP Goals which tackle carbon, water, youth unemployment and human rights. We are supporting our members with research and best practice sharing to build their capacity to develop science-based targets. Going forward we want to explore opportunities to collaborate where we can deliver carbon reductions at scale."

Paul Simpson, CEO & co-founder of CDP, the Carbon Disclosure Project, supported ITP's Goal on carbon saying: "The work ITP is doing to promote science-based target setting and to support its members and the hotel industry to get involved is enormously

valuable. Science Based Targets help companies understand exactly what they need to do to help keep global temperature rise well below 2 degrees Celsius. They provide a roadmap for emissions reductions that will put the world on a sustainable, low-carbon path."

Wolfgang Neumann, ITP Governing Council Chair and industry thought leader, commented: "ITP believes that the hotel industry can be a force for good and make a positive contribution to the United Nations' Sustainable Development Goals and to the COP21 climate agreements. Our vision for 2030 is for sustainable growth and a fairer future for all. We understand that bigger impacts can be achieved faster through the industry working together at scale; for this reason we invite other hotel companies to join with us in our commitment to these four critical goals."

Report author and Greenview's founder, Eric Ricaurte, added, "We all share one planetary KPI: 2-degree temperature rise or less. Now translating that to each industry and company, we can shift focus toward the opportunities to decarbonise while protecting what travellers value. No other sector like tourism will play a role in literally shaping the future of our world."

Hughes concluded, "The technology exists today to fully decarbonise the hotel sector. Solving the issue of climate change becomes how to accelerate the solutions which are currently available. To do so, hotel industry leaders will need to support an evolution of thought and approach to make it happen through carbon pricing and how projects are financed."

Highest Achieving 2017 prize-winning Hospitality Financial Management and Revenue Management learners named by HOSPA

The 2017 highest achieving prize winners in HOSPA’s hospitality-focused Professional Development Programmes in Financial Management and Revenue Management have been announced by the Association.

The winners are the learners who achieved the highest grades during their studies in Financial Management and Revenue Management with HOSPA on courses completed in February 2017 and August 2017.

The HOSPA courses provide the skills and knowledge for those hospitality professionals seeking to excel in their careers in hospitality finance or revenue management.

With both introductory and advanced levels available, the modules have been specifically written for the hospitality sector by specialist educators and industry-leaders and reflect the need for learners to be continuing in full-time work whilst studying. The Financial Management programme is studied in three separate stages over 18 months. The Revenue Management programme is offered in three separate levels, each taking five months to complete.

For the 2017 HOSPA Professional Development Learner Award Winners, completing in February 2017, the prize winners were:

HOSPA Professional Development Programme in Financial Management		HOSPA Professional Development Programme in Revenue Management	
Stage 1: Introduction to Financial Accounting	Monika Hyde Management Accounts Assistant, Quay Hotel & Spa	Level 1: Introduction to Revenue Management	David Clancy General Manager, Leonardo Edinburgh Capital Hotel
Stage 2: Operational Management Accounting	Natalia Zaremba Renaissance Hotel, Paris	Level 2: Operational Revenue Management	Sam Jennings Key Market Revenue Manager, South West, Whitbread, Premier Inn
Stage 3: Strategic Management Accounting	Matthew Bennett Financial Controller, The Derbyshire Hotel	Level 3: Strategic Revenue Management	Diane Little Assistant Cluster Rooms Revenue Manager, Principal Hotels, Edinburgh

For the 2017 HOSPA Professional Development Learner Award Winners, completing in August 2017, the prize winners were:

HOSPA Professional Development Programme in Financial Management		HOSPA Professional Development Programme in Revenue Management	
Stage 1: Introduction to Financial Accounting	Emalyn Gretton Formerly at Jurys Inns Hinckley	Level 1: Introduction to Revenue Management	Miriam Waldmeyer Revenue Centre Manager, Lancaster London Hotel
Stage 2: Operational Management Accounting	Monika Hyde Management Accounts Assistant, Quay Hotel & Spa	Level 2: Operational Revenue Management	Henry Rouse Revenue Manager, Hoseasons
Stage 3: Strategic Management Accounting	Ketan Bhakta Finance Graduate Manager, Jurys Inns	Level 3: Strategic Revenue Management	Sam Jennings Key Market Revenue Manager, South West, Whitbread, Premier Inn

Cash prizes and certificates will be presented to the winners at the HOSPA Annual Learner Awards ceremony, a stand-alone celebration dedicated to their achievements. The event will be held on 25th January 2018 at the Hilton on Park Lane, London, commencing at 2pm. Prior to the Awards ceremony itself, the afternoon's proceedings will start with a panel debate - chaired by Professor Peter Jones MBE, Chairman of the HOSPA Professional Development Committee - discussing the education needs and recruitment of hospitality finance and revenue managers.

In addition to the presentations to the award winners already named, the prestigious 'Overall HOSPA Learner of the Year Award Winners 2017' - for the Professional Development programmes in Financial Management and Revenue Management - will be announced at the ceremony and presented with their special prizes. The two top awards are based on the highest combined course work and examination results, recorded in the 2017 HOSPA Financial Management and Revenue Management courses.

The association will also recognise two organisations for their commitment to education in the fields of Revenue Management and Financial Management.

Commenting on the HOSPA Annual Learner Awards Ceremony, the Association's Head of Professional Development Debra Adams said:

"We are delighted to be returning to the Hilton Park Lane in order to

celebrate the achievements of our highest performing learners on the HOSPA Professional Development Programmes during 2017.

Congratulations go to all our learners and prize winners, who have successfully completed each stage of their Financial Management and Revenue Management studies over the last eighteen months. We are very proud of their achievements which have been gained whilst working in demanding and fulfilling roles in the hospitality industry.

During 2017 we have been pleased to welcome more and more learners to our Revenue Management courses. A further development to strengthen our commitment to this important function in the hospitality sector has been the release of our updated Revenue Management ebook which provides an invaluable introduction to the world of Revenue Management and how it can be used in the hospitality industry."

To attend the HOSPA Annual Learner Awards Ceremony on 25 January, tickets cost £50 per person. For bookings, email: education@hospa.org

The deadline date for enrolment for the next intake is 1 March 2018 - for both the Financial Management and Revenue Management programmes. Both courses are available at three levels - Introductory, Operational and Strategic - each at a cost of £820 (ex VAT).

For further information, visit: www.hospa.org/education; or email: education@hospa.org



→ LEARNER RESULTS

Welcome to our new Associate Certified Members

Congratulations to the following learners who have recently successfully completed their studies and who are now awarded Associate (Certified) membership of HOSPA:

Financial Management Programme

Maxime Guichoux

Credit Manager, Hotel Le Richemond,
Switzerland

Anthony Haworth

Finance Assistant, Eastwood Hall Hotel,
Nottingham

“Thank you for your kind words” - Responding to guest reviews

Hotels around the globe are happily promoting ‘their’ review sites. Logos and links to Trip Advisor and similar sites are prominently displayed on hotels’ home pages and they proudly show off their “best hotel” awards. After all, being showcased on a very popular and highly frequented travel site puts your hotel name ‘out there’ and exposes you to a vast amount of traffic, doesn’t it?

But, at second glance, are you really benefitting from this arrangement? On sites like Trip Advisor, you are on a platform that forces you to compete side by side with hundreds of other hotels. In the perception of readers, you are only one of many. It takes away from the brand you worked so hard to build and automatically enters you in the price war game.

Here’s a brilliant way to counteract these effects:

Respond to your guest comments.

I can hear your deep-drawn sigh.

To most hotels, it’s still a dreaded task. After all, what can you say when guests post their highly subjective views or opinions? You can dutifully thank them for a compliment, or apologize in case of a bad review.

Well, maybe there is a bit more to it than that. It really pays off to invest some time in crafting a skilful response.

With 415 million monthly average unique visitors, Trip Advisor attracts a huge potential of prospective guests - a great opportunity to step to the fore and shine some light on your hospitality and unique hotel experience.

Even better, your response to guest comments will help you connect with your readers on an emotional level - the ideal start to kick-off the buyer’s journey.

“On a lifetime value basis, emotionally connected customers are more than twice as valuable as highly satisfied customers. These emotionally connected customers buy more of your products and services, visit you more often, exhibit less price sensitivity, pay more attention to your communications, follow your advice, and recommend you more - everything you hope their experience with you will cause them to do.” said Alan Zorfias and Daniel Leemon, Motista/HBR.

A powerful reason to give your guest reviews more attention, isn’t it? If you work in the hospitality industry, you usually don’t have a problem talking to your guests. By now, you’ve probably seen it all and mastered the trickiest conversations. Crafting a good response is not that different if you take a few important points into consideration:

- Avoid sterile, template-like-statements that sound like this: “Thank you for taking the time to share your experience with us. We take guest feedback very seriously, and it is disconcerting to hear that you did not enjoy your stay with us. What you described certainly does not meet the standard we set forth, and I am truly sorry that we did not meet your expectations....” or “Thank you so much for

your very kind words - we are all delighted that you enjoyed your visit so much. We do try hard to make our guests feel at home, and well taken care of, so it is very rewarding to know how much our guests enjoy themselves. We hope to be able to welcome you back very soon.”

- Don’t use the same phrases over and over again. Your guests are very probably reading more than one review and if your feedback is pretty much the same for each of the reviews, they might get the impression that in this hotel, they’re probably just ‘a room number’...
- Don’t take positive reviews for granted and only answer complaints.
- Don’t ignore complaints and only respond to positive reviews.
- Don’t respond to selected reviews only! (Guests pick up these patterns quickly and it is part of what forms their opinion about your hotel or management style.)
- A fresh look, a new approach and the search for an emotional connection will get you much better results!

Below is a selection of snippets and samples of actual hotel responses that are amiable, authentic and original, which create an emotional bond with their guests:

- Don’t take it personally. Sometimes guests simply don’t understand how a hotel works and why their request can’t be granted, so it helps to explain the situation: “...We were very sorry to read you felt so disappointed with your stay at XXX. With regards to your late check-out, we do try to accommodate such requests at all times but on the day you were leaving, we were almost 100% fully booked (contrary to what you apparently saw on the internet, for which we have no explanation without knowing on which site you found this information)...”
- Relate to your guests’ pains and problems. Have you ever noticed how quickly an irate guest calms down when you explain that you completely understand why they are upset? It’s no different in a written response! For example: “..... As a coffee drinker myself, I understand your frustration with our Nespresso pods. I have informed our Housekeeping Manager directly to ensure this does not happen again...”
- Don’t be defensive but offer your assistance. Sometimes it needs a bit more to clear the air, so why not invite further conversation? For example: “...My sincere apologies that your stay fell short of your expectation. Please email or call me at your convenience. I would like to discuss this with you and find a way to rebuild your faith in us....”
- Be genuine and authentic when you reply. For example follow: “Best Customer Service EVER” with “That is such a great way to start our day today! Thank you so much for such a wonderful review and for taking the time to write.” or follow: “The customer service experience here was the

best we have had” with “We believe that hospitality is personal and it all starts with a dedicated and caring team. Your feedback makes us proud ... and motivates us at the same time! Thank you.”

- Use a language that expresses your personality, passion and even a bit of humour. Write just like you'd talk in a face-to-face conversation. For example: “We are thrilled to read about the ‘unbelievable experience’ you had at XXX and thank you so much for praising our ‘incredible staff’. It was wonderful to welcome you and your family on the occasion of your mothers 80th birthday. The entire team has such great memories of your trip and everyone sends their best wishes!” or “Thank you so much for your wonderful words - it is like being IN a different city when you come downtown - much more peaceful. Sorry about the creaky floors - the oak was laid in a very traditional manner on slats of wood to allow it to move and give it a softer feel to the feet. Sadly this occasionally results in a creak but we will take a look and see if we can silence it. Hope we will be able to welcome you back very soon.”
- Use the opportunity to talk about your hotel! For example: “Our Executive Suites are jewels to us and we are so glad you found your stay comfortable and enjoyable. Our walls and shelves are adorned with original artwork and custom-designed furnishings, we like to say the hotel is a living art

project. I am so glad you were able to meet our Vice President, who has hand-selected much of the original artwork and antiques you'll see in the hotel. From small NC Antique stores to Venetian Markets, each and every piece of XXX has a story and experience...”

- When crafting your response, look at it from several different angles and use the opportunities that'll help you stand out. This is a great way to draw attention to your hotel - don't let it pass you by!

About the author

Bärbel Pfeiffer is a former hotel executive turned marketer who helps hotels create a distinct online presence that will make them stand out. She is the founder of Text Spot On, a communications agency that assists hoteliers with creative marketing concepts that engage, generate leads and drive business.

During her 20-year career in the industry, Bärbel worked for Hilton International, boutique hotels in Germany and Switzerland and hotel resorts in the Caribbean. You can reach her at textspoton@gmail.com

Reproduced with the kind permission of eHotelier



HOSPA

Hospitality Finance, Revenue and IT Professionals
Professional Development



Enrolling now for Finance or Revenue Management programmes for March 2018
education@hospa.org | www.hospa.org/education

Testing your loyalty



Katherine Doggrell looks at the evolving role hotel loyalty programmes play in consumers' lives.

Having a diverse portfolio of reward options with hotel loyalty rewards programs is a key driver of member satisfaction, according to the J.D. Power 2017 Hotel Loyalty Programme Satisfaction Study.

The report came as the hotel sector's global brands are looking to their loyalty programmes to drive direct bookings, most commonly through offering discounts. This year has also seen an increase in efforts to simplify programmes and break the image of needing an impossible number of points before receiving any kind of incentive. In this way, the operators hope, true loyalty, not just loyalty to discounts, can be achieved.

At JD Power, the marketing company reported that overall satisfaction was higher among programme members who redeemed rewards for dining, product purchases and special events than among those redeeming rewards for hotel stays alone.

The study measured customer satisfaction by examining four factors (in order of importance): ease of earning and redeeming rewards (35%); program benefits (27%); account management

(22%); and member communication (16%). Satisfaction is measured on a 1,000-point scale.

"As loyalty and rewards programmes of every type continue to saturate virtually every consumer market, the key to success for hotel loyalty programmes is variety of reward offerings," said Rick Garlick, Travel and Hospitality Practice Lead at JD Power. "Flexibility in how to redeem points and the ease with which customers can redeem those points are the key drivers of customer satisfaction in this space, which makes forming strong partnerships with third-party service providers a priority for hotel loyalty programmes."

Following are some key findings of the study:

- Frequent travellers want more than hotel stays: Overall satisfaction is 138 points higher among hotel loyalty members redeeming rewards for product purchases at retailers. Satisfaction also is higher for redemptions involving special events (+124 points); car rentals (+103 points); and dining (+86 points). Redeeming for hotel stays

adds only 4 points, on average, to loyalty members' overall satisfaction with a programme.

- Many customers do not understand how to redeem rewards: Among customers who say they fully understand how to redeem their points, overall satisfaction is 147 points higher than those who say they do not fully understand the process. Despite this powerful effect on satisfaction, nearly half of all loyalty programme members indicate a less-than-clear understanding of how to earn their points and only 50% know how to redeem them.
- Loyalty programme satisfaction boosts brand loyalty: Of hotel stays booked in the past 12 months, 47% were booked with a brand affiliated with the member's loyalty programme. That percentage increased to 52% among members who say they are delighted with their loyalty programme.

Marriott Rewards ranked highest in the 2017 study, and received the Gold award for overall member satisfaction with a score of 806. World of Hyatt was the Silver award recipient with a score of 805, followed by Hilton Honors, the Bronze award recipient, with a score of 793.

Marriott's loyalty programme is set to be the largest in the sector in 2018, when it will be rolled in with that of Starwood Hotels & Resorts, following the pair's merger, creating a system with around 75 million members.

The company's president & CEO, Arne Sorenson, said that the merger was in part driven by the opportunity of a combined loyalty programme, as part of the scale argument which he said would help the group compete with the threat of the online travel agents. When asked whether the task of marketing the combined group's 30 brands would be a challenge, Sorenson commented that he saw the loyalty programme also acting to drive business.

The study was released as Accor launched AccorLocal, an application allowing residents who live near an Accor property to access "the services of local artisans and companies" and which it expected to integrate into its loyalty programme.

Scott Gordon, AccorLocal CEO, said that the loyalty programme was going to be "a big part, it's going to be a game changer - members will be able to earn and burn on their daily life habits. Today the problem we have is that we only see our customers a couple of times a year. Our ambition is to be recognised as your daily life companion, not just your travel companion".

AccorLocal was first revealed in March, with chairman & CEO Sébastien Bazin saying: "We need to diversify outside of hotels. We will continue to work in hotels for the next 50 years as we have over the last 50 years, but what about when our colleagues want something more? What about when some people want more than just a hotel room?"

The three verticals are: the core hotel business, the travel business outside traditional hotels and "community services".

The third vertical was aided by AccorHotels acquiring 79% of concierge product John Paul for USD120m a year ago, which, it said at the time, would allow it to provide an even broader choice of services to treat all travellers to the best experience "before, during and after their stays".

Commenting on the third, community, vertical, Bazin said that it had "nothing to do with travel but it's plugged into community services. But the three have something in common and it's very important. It's customer relationship. The database will be common to the three. The loyalty programme will be common

to all three. Technology will be common because the three will mutually enrich each other.

"If we do this right vertical two and vertical three will represent 30% of mid-term results in five years' time."

"We have customer relationship that is perhaps three, four, five times a year when we see you in our hotels. Facebook has a relationship with its customers seven times a day.

"I have absolutely to ensure that this group leverages interaction with its customer more than three to five times. I'm going to ask you to travel once a month, so I have to enter your daily life. What can I do for you when you're not traveling, what can I do for you when you're not traveling with me even if you are going to Marriott or Airbnb and if you're visiting your granny?"

Hilton has also been diversifying its loyalty offering, allowing loyalty programme members to use their points on Amazon.

Members of Hilton's Honors scheme will now be able to pay for purchases at Amazon.com using their Hilton Honors Points. Linking a Hilton Honors account to an Amazon.com account, will display available Hilton Honors Points balance upon checkout. Members can then choose whether or not to use points and how many points to use towards a purchase.

Up to three Honors accounts can be linked to one Amazon account. According to Amazon, 500 Hilton Honors Points will equal one dollar on Amazon.com. Honors members earn 10 Base Points for every US dollar spent on room rate and other eligible room charges, including telephone calls and room service.

Mark Weinstein, Hilton's SVP & global head, customer engagement, loyalty and partnerships, said: "At Hilton, we are always looking for ways to deliver unique experiences to customers. By teaming up with Amazon, we are able to offer our Hilton Honors members yet another choice in how they redeem their Hilton Honors Points. Amazon Shop with Points gives our members greater flexibility with their Points and the chance to offer more of what matters most to our Hilton Honors members."

Amazon has also attracted Magnuson Hotels, which launched its new rewards programme with the offer of a USD25 Amazon gift card for every 10 nights booked direct.

Magnuson Hotels said that the offer was aimed at capturing and converting guests visiting on bookings made via OTAs. The company said that, until the end of the year, guests that register directly at a participating hotel during their visit would get all the nights from that stay as credit, even if the booking was made via an OTA. Those members would just need to book direct in future to redeem the Amazon.com gift card.

"Magnuson Rewards members get paid, not points." says Amanda Fox Rosowski, loyalty & CRM manager, Magnuson Hotels. "Our guests don't need another pot of points they'll never use. They want something real that is easy to earn and easy to redeem. What could be simpler than an Amazon.com gift card for every 10 nights direct?"

For those who have a wallet full of coffee-house loyalty cards, buy 10 get one free will be a familiar rallying cry. The hotel sector - and the owners who pay for it - will now find out whether it works.

The competitive environment



Adafabridge Hotel Consultancy's David Bridge presents his final asset management article, about the competitive environment and what makes a good asset manager.

When I first thought about writing this fourth article, my focus was on the traditional competitive set. But having attended a few conferences recently, I have had second thoughts.

I think there are now five areas of competition I would like to address:

- Alternative asset classes for investors
- The Operating Environment - OTAs versus brands versus third-party managers
- Labour supply
- Airbnb
- Personalisation versus privacy

Alternative asset classes

The first area of competition is asset class. The alternative accommodation sector is now gaining ground and many hotel investors are considering alternative assets, such as hostels, student accommodation, serviced apartments, and senior living, to name a few. These asset classes are interesting in that they use the soft skills of hospitality, merged with the hard skills of developers and investors. The interest for the asset manager is to blend these skills. It is not surprising that some of the larger brands such as Accor and Hilton have already made entry into the alternative sector. Personally, I would like to see our National Health Service benefit from hospitality, as I am convinced that it would substantially improve administration and control.

As hotels continue to rise in price, these alternative assets give investors the opportunity to buy into schemes which require less kerb appeal and hence benefit from lower acquisition costs, whilst still offering an interesting return. And unlike

traditional hotels, with their requirement for restaurants, bars, and other facilities, the activities of these alternative assets can be supported by leased restaurants, bars, leisure facilities and the like. This might prove attractive to an investor as all activities are supported by specialists and thus investment risk is spread. Given asset managers' recent exposure to operational fragmentation, they could play an important role in this development.

The widening of the sector might also create more innovation, by again merging experience from different sectors. We have already seen some mid-range hotels use modular construction, but this would arguably be easier with the alternative accommodation sector and perhaps provide more flexibility in being able to transform a property from one use to another.

As the sector matures, perhaps we will see more mixed developments, managed by the same operator, with one part of the property supporting the other from reservations to reception, housekeeping, and maintenance. A model for the villages of the future, perhaps.

With all competition comes greater opportunities. With a larger and more diversified range of assets, and the continued development of soft skills, thanks to organisations like HOSPA, perhaps the sector can attract the more traditional investor and perhaps respond to the potential investment flow out of hotels into alternative assets. Asset managers can help lead and advise on this process.

The operating environment

Oh no, not the OTA versus the brand battle again? There seems so much strife at the moment - Brexit, Trump versus the rest

of the world, Scottish Independence. Wouldn't it be great if we could debate a subject, ascertain the facts, agree, and then co-operate to make life easier and more prosperous for us all? Asset managers should look at opportunities from all angles and try to determine what each group brings to the party as added value. Although the OTAs can be expensive, it is interesting to see the benefits they bring. As mentioned in my second article, they continue to invest substantially in technology, and their investment far outstrips the investments made by the leading brands. They are always looking at new ways to attract and retain the interest of their clients by, for example, producing personalised booking avenues.

This experimentation is facilitated by the tremendous number of visits they receive each day. They employ people with the necessary skill and experience and they allow them to take risks. The conservatism of the brands versus of the experimentation of the OTAs would make an interesting study. The OTA websites provide a genuine market place, with relevant information and rich filtering capabilities. And, of course, being multi-brand and multi asset-type, they attract a very wide audience and provide the customer with extensive choice as well as ease of use. But perhaps the OTA ownership structure also allows them to take this approach, as they are only using their own funds rather than the funds of their clients.

An ordinary brand would find it very difficult to make the necessary level of investment to emulate the OTAs and would not be able to offer the same range of properties, unless the brands started working more closely together in a joint venture, but that would mean creating a brand such as Room Key. How much should a brand invest to promote Room Key and how much to support its own brand? Perhaps, a half-way house might be to allow independent hotels to use the brand's reservation system. Bonne idée.

It is of course very interesting to look at website visitor numbers and this really shows the power of the OTAs. Not only do they have considerably more visitors, but this volume gives them the ability to uncover the latest trends, which can help hotels create and adapt their strategy. Do the brands have sufficient data to perform a similar analysis and are they willing to share information about the trends or are they blocked by legal considerations in their operating and franchise agreements?

So, should the operators perhaps start seeing the OTAs as the providers of a data-rich platform that is constantly updated to win business and divert their own resources to find a way to capture and retain the guest, once delivered by the OTA. The advantage that the brands have over the OTAs is their direct contact with the guests and their ability to win them as members of their loyalty program. Once members, they have access to apps, which makes booking and gives special rates. However, the main driver of guest loyalty is the level of service enjoyed and the quality of the product during the stay. With the move away from direct operations to the franchise model, this means that the brands must develop systems to ensure control over product quality and service level and maintain communication with the guest to allow them to continue to develop their services and products in accordance with guest expectations.

Then add into the mix the third-party white label operator, who is working with the brand and the OTAs but now has the relationship both with the end guest and the investor. How does an asset manager ensure that this all functions appropriately and that the third-party manager is following the brand directives and using the brand systems well? I personally welcome the arrival of the third-party operators, as often they are "local" and more attuned to local laws, taxation, and culture.

The more fragmented the operational structure, the greater the need for an asset manager. A case of competition creating employment.

Given the predicted growth in tourism, especially from new areas such as India and China, there should be enough room for all parties to benefit and play an effective role. And the importance of role of the asset manager will increase with the need to co-ordinate all activities performed by the various parties. As always, it will be the investor who provides the funds, but who will provide the ideas and innovation? The asset manager will certainly be monitoring and hopefully enabling.

Labour supply

It is difficult to judge whether the recent steps in the Brexit negotiations will have a positive or negative impact on our EU staff, especially after the assertions that this agreement is not legally binding until the final agreement is signed. Given that the devaluation of Sterling has already had an adverse impact, more clarity is urgently required.

But whatever the Brexit impact, the hotel industry will have to look at how they recruit train and retain staff in competition with other sectors and industries. Obviously, it is possible in some hotels to automate processes like check-in and check-out, but perhaps this only reduces the differentiation between hotels and Airbnb and may have an overall negative impact on the industry.

The key factors in winning staff from other sectors is reward, recognition, and the esteem in which the population at large holds the work. Having visited the Soviet Union many years ago as a student of Russian, I remember the appalling service given in hotels and restaurants due to the low standing of service workers. Reward is not only a question of salary and benefits but also of training and development, being given the right tools, and, as Uber has found, giving staff flexible working arrangements. HOSPA will no doubt play a significant role in training its members to help raise their profile and gain recognition for their skill and professionalism and thereby assist in attracting and retaining valuable staff for our industry.

The asset manager should become more active in looking at these issues, rather than focus on cost and productivity alone.

What does the industry do to retain staff, especially older staff? The salaries are considered low, the hours antisocial, and the training the first thing to be cut when trading drops. Thus, the average age of hotel employees is relatively young.

When I first started work in hotels, creches were provided, which meant many young parents could be employed. Perhaps we will have to look at staff of all ages to determine what support they need to reconsider working in hotels. This might bring additional cost, but this can be offset by proper training and increased productivity. How many times have you sat in a restaurant trying to catch the eye of an employee, who steadfastly refuses to scan the room and make appropriate contact. So many wasted trips and loss of productivity and guest satisfaction.

There was general recognition at HOSPACE that the industry must do better. The Evidence Based HR panel was extremely interesting and challenging, and the mentoring initiatives well received.

I sometimes wonder if there are structural issues with the hotel industry in terms of the layers of the workforce. It would be interesting to do a cross-industry analysis to compare the various levels and their benefits and the flow from operational staff through middle management to higher management. And

perhaps the lack of investments in technology means that opportunities for specialists are reduced.

Although not entirely in favour of robotization, I favour new technology, especially if that technology supports staff which allows them to spend more meaningful time with the guest. Better forecasting and modern HR systems might result in more flexible working patterns. Better use of data also makes the work more interesting and training in this area provides more transferable and valuable skills.

If we are unable to retain EU staff or lose them to other sectors, will we be obliged to introduce machine interpreting?

Some interesting challenges for the industry and the asset manager.

Airbnb

Although Airbnb has been extremely successful in attracting guests, hospitality continues to flourish, and this trend will continue. It would be interesting to see however what business hospitality might have gained, had Airbnb not been developed.

Airbnb has a platform which is extremely easy to use and provides, amongst other things, reasonable priced accommodation for social groups. Rather than rent three hotel rooms for a weekend, Airbnb makes it easier to rent an apartment, use kitchen facilities and other services to keep the overall cost down.

As well as the cost benefits, the genuine experience allegedly offered by becoming part of the visited community also appears to appeal. Can hospitality compete against such an offer. Maybe some of the major brands need to revisit their standards and introduce more flexibility into their designs. Arguably, they have already started on this process by creating sub-brands, but are these genuine and authentic sub-brands or are they just servicing narrower sectors of the community?

A good asset manager needs to be aware of what these newcomers offer and see what elements might be taken and applied to hotels. Perhaps brand standards should be relaxed somewhat, which might facilitate responding more quickly to guest's changing and expanding requirements. Quality is important, safety is paramount, but couldn't design be more local. A topic at the next asset management meeting with the operator or brand?

Personalisation versus Privacy

As more data is gathered from individuals to help hotels personalise both their individual sales initiatives and produce tailored service and product offerings, so the EU is tightening up the rules on data privacy. Yet, with the proliferation of social media, some people are sharing increasingly private personal details.

The Internet of things makes even more data available. Soon, a guest might unlock their room, perhaps using their phone, hear their favourite music playing, with their favourite chocolates on the table, their perfectly fitting bathrobe hanging behind the bathroom door and with the room at their favoured temperature. This scenario is a challenge for asset managers as on one side an asset manager must persuade owners to invest and on the other hand ensure that data privacy rules are respected, and owners protected.

But the real question is who will set the practical standards, which will allow companies to benefit from personal data to

enrich and facilitate the guest experience, whilst meeting privacy requirements.

The Asset Manager - A doer and not a reporter

So, what are the requirements for an asset manager? The first is an in-depth knowledge of both the operational and investment sides of a hotel. On the operational front, it is important to understand the business drivers, both locally, nationally, and internationally, if relevant. Secondly, a knowledge of the competitive market is essential to see what opportunities exist that are not currently being exploited or where the hotel might need to invest to close gaps with competitors.

Legal sensitivity is also useful in negotiating leases, operating and franchise agreements and general commercial agreements and ensuring compliance. It is essential to check who can trigger the various rights.

The asset manager has a fiduciary duty to protect the owner in ensuring compliance with all forms of legislation, tax and accounting issues, debt covenants and insurance.

It is also necessary to have the ability to analyse results, negotiate budgets, both for operations and capital expenditure, and to be proactive in monitoring the monthly results and forecasts. It is important that all relevant data is correctly collected, validated, and used to generate both business, to save costs and to flag changes in business production at a very early stage. A deep involvement with sales and marketing in general, but also with websites, social media and yield management is required. In short, all aspects of the hotel operation. I think one way to save time is to be very clear in one's objectives as asset manager, which can result in the other parties self-policing their own activities.

Given the asset manager's detailed knowledge and their relationship with the investor, the asset manager can also provide significant assistance with selling, buying, and financing hotels.

But I think that probably the most important task of the asset manager is to ensure that both brand, operator and manager and owner share the same objectives, both in terms of value but also in terms of timing. The timing issue is crucial and will often depend on the aims of the owner - hold period, divestment plans, levels of capital investment available and the type of ownership. A listed company with quarterly reporting may have different aims to a long-term fund. The role of asset manager is essentially one of a mediator, bringing the parties together to avoid conflict and to work co-operatively together.

In terms of character, it is important for an asset manager to listen and assist, bringing new thinking where required, but also sharing ideas from experience and new ideas from conferences, relevant associations, or the press. Although often acting as the voice of the owner, the asset manager needs to take an objective view of what is in the best interest of the business. It is essential to always strive to improve and to look at the property with a fresh set of eyes.

I have tried to illustrate in my articles the wide range of subjects that the asset manager must cover. I look forward to HOSPA creating an asset management committee firstly to define the role of asset manager, to provide training and to share information and practical experience with members, be they practicing hoteliers or students of the sector. A fascinating area and a worthwhile addition to HOSPA's other communities.

Optimism dips among leaders of out-of-home eating and drinking



CGA survey reveals ‘perfect storm’ of challenges including rising food and property costs and Brexit, but operators remain resilient. Optimism among leaders in the eating and drinking out sectors has been substantially dented since the start of the year, CGA’s latest Business Confidence Survey reveals.

The survey finds that only 30% of leaders of restaurant, pub, bar and coffee shop groups are optimistic about general market prospects for the next 12 months - down from 47% in the first quarter of 2017. Optimism about prospects for their own businesses has followed a similar trajectory, falling from 68% in the first quarter to 52% in this latest survey.

The exclusive research, based on responses from well over 100 senior executives across the sector, including big corporates and small entrepreneurial operators, was revealed at CGA’s Peach 2020 Conference last week. It also finds that a third (32%) of leaders admit their business’ performance has been below expectations in the last six months - down by five percentage points from May’s survey.

The new figures chime with other CGA research indicating tough trading conditions. The Coffer Peach Business Tracker reveals that like for like sales at leading managed pub and restaurant chains have risen by just 1.3% over the last 12 months, while the CGA Prestige Foodservice Price Index has demonstrated sustained rises in food costs over 2017. Property and people costs have also increased this year.

The latest Business Confidence Survey finds that optimism is unlikely to increase in the short term, with more than half (57%) of leaders concerned about consumer confidence over the next six months - though only one in eight (12.2%) is pessimistic about their own business’ prospects for the next year. CGA research

presented at the 2020 Conference reveals some more positive trends, including evidence from the CGA BrandTrack survey that consumers eat out just as often as they did four years ago - and that frequency among 18 to 44 year-olds is at a four-year high.

Other issues highlighted by CGA’s Business Confidence Survey include:

- Brexit fall-out - 71% of leaders say the decision to leave the EU has had a negative impact on their business, with only 3% citing a positive impact
- Rising costs - more than three quarters of leaders say increasing costs of raw materials (79%) and rates (78%) have negatively affected their business
- Price rises - more than two thirds (69%) of leaders say their business has increased menu prices over the last quarter in light of soaring costs.

CGA vice president Peter Martin said: “Our Business Confidence Survey is the clearest indication yet of the trials facing the leaders of out-of-home eating and drinking. With food, property and people costs all rising, consumer confidence softening, competition intensifying and Brexit casting a long shadow over the future, operators are enduring something of a perfect storm of challenges. But this is a creative and resilient sector, and while leaders’ optimism has been dented this year, they will be rolling up their sleeves and fighting hard for growth in 2018.”

Profit conversion falls at UK hotels

Hotels in the UK maintained their upward trajectory in GOPPAR growth this month, but the marginal gains in revenue were almost entirely wiped out by increasing costs which led to a decline in profit conversion, according to the latest worldwide poll of full-service hotels from HotStats.

Hotels in the UK achieved a 2.1% increase in RevPAR this month, to £94.20, which was due to a 2.4% increase in achieved average room rate, to £116.11 and in spite of a 0.3 percentage point decline in room occupancy, to 81.1%.

Furthermore, the year-on-year growth in Rooms Revenue for hotels in the UK was supported by increases in Non-Rooms Departments, including Food and Beverage (+1.1%), Conference and Banqueting (+4.9%) and Leisure (+2.4%), on a per available room basis, contributing to the 1.8% year-on-year increase in TrevPAR this month, to £145.57.

Profit & Loss Key Performance Indicators - Total UK (in GBP)

October 2017 v October 2016

RevPAR: +2.1% to £94.20
TrevPAR: +1.8% to £145.57
Payroll: + 0.4 pts to 26.6%
GOPPAR: +1.1% to £58.77

However, the marginal levels of revenue growth in October have been outpaced by increasing costs, leading to a decline in profit conversion across a number of departments.

This has included the Food and Beverage Department, for which profit conversion dropped by 1.2 percentage points to 34.8% of Departmental Revenue, as a result of increases in Cost of Sales in Food (+1.2%) and Beverage (+0.8%), as well as Payroll (+4.3%) on a per available room basis.

That said, in spite of a 0.4 percentage point increase in Payroll, to 26.6% of total revenue, hotels in the UK recorded a 1.1% increase in GOPPAR to £58.77 in October. This is equivalent to a profit conversion of 40.4% of total revenue, a 0.3 percentage point decline, from 40.7% during the same period in 2016.

“According to the Bank of England, official data showed consumer prices increased by three per cent in the year to October 2017, the highest level in five years, led by growth in food prices and fuel costs.

Whilst 2017 is shaping up to be another positive year of revenue and profit performance for hotels in the UK, owners and operators will do well to monitor any further increases in food prices, and indeed other costs, which could challenge profitability levels in 2018,” said Pablo Alonso, CEO of HotStats.

Hotels in Manchester led the way in October as the city’s hoteliers welcomed approximately 12,000 delegates to the four-day Conservative Party Conference.

Profit & Loss Key Performance Indicators - Manchester (in GBP)

October 2017 v October 2016

RevPAR: +12.4% to £93.16
TrevPAR: +13.8% to £147.50
Payroll: - 1.5 pts to 22.9%
GOPPAR: +19.6% to £61.62

In addition to a 3.2 percentage point increase in room occupancy, to 87.5%, hotels in Manchester recorded an 8.4% increase in achieved average room rate, to £106.47, which contributed to a RevPAR peak for 2017 being achieved at £93.16.

The additional demand associated with the conference’s biannual visit to Manchester also enabled hotels to drive associated non-rooms revenues, which included a 14.7% increase in Food and Beverage Revenue and a 33.8% increase in Conference and Banqueting Revenue, on a per available room basis.

The 13.8% increase in TrevPAR, in addition to a 1.5 percentage point saving in payroll, to a lean 22.9% of total revenue, helped Manchester hotels record a 19.6% year-on-year increase in GOPPAR in October, to £61.62. This was the highest profit per room recorded in the Manchester hotel market in 2017 and equivalent to a profit conversion of 41.8% of total revenue.

“Unlike Mrs May, who stumbled through her speech and was the victim of a number of unfortunate mishaps, Manchester hoteliers enjoyed the 2017 Conservative party conference as the buoyant demand levels enabled top and bottom line performance levels to soar,” added Pablo.

At the other end of the M62, hotel performance was less inspiring, as properties in Leeds continued to suffer a decline in bottom line performance, in spite of top line increases.

Profit & Loss Key Performance Indicators - Leeds (in GBP)

October 2017 v October 2016

RevPAR: +0.8% to £66.55
TrevPAR: +0.6% to £114.43
Payroll: -0.3 pts to 27.7%
GOPPAR: -1.3% to £41.05

The 0.8% increase in RevPAR at hotels in Leeds was due to a 2.0% increase in achieved average room rate, to £81.16, which offset the -1.0-percentage point decline in room occupancy, to 82.0%.

The achieved average room rate increase at hotels in Leeds this month was fuelled by the commercial segment, with growth recorded in the achieved rate in both the corporate (+3.8%) and residential conference (+5.7%) segments.

Despite a 0.3 percentage point saving in Payroll, to 27.7% of total revenue, a muted TrevPAR increase of just 0.6%, to £114.43 was wiped out by increases in overheads. As a result, profit per room at hotels in Leeds fell by 1.3% to £41.05.

This continued the challenging trend for the year so far at Leeds hotels, which have recorded a 4.0% decline in GOPPAR for year-to-date 2017, despite a 0.5% increase in TrevPAR.

Members' Events

January 8th

Finance Members Meeting - London

25th January

HOSPAs Student Awards Ceremony

Location

London Hilton on Park Lane

Events Details

At the Annual HOSPAs Student Awards Ceremony we celebrate the achievements of all our highest achieving learners on the Revenue Management and Financial Management programmes in 2017. The event includes the presentation of certificates and the announcement of the 'Learner of the Year' in Revenue Management and Financial Management as well as discussion and networking plus a delicious Afternoon Tea and Champagne.

For more details contact education@hospa.org

February 5th

Asset Management Meeting - London

February 7th

HMA Event - London

February 20th

Cross Community Members Meeting - Brighton

March 5th

Members Meeting at Hotelympia - Revenue Management

March 15th

GDPR Meeting - HOSPAs Members Event Hosted by the IT Community - London

Event Details

Thursday 15th March - 6pm

On a very positive note, we have secured the top of the BT Tower for an event hosted by BT Wi-Fi, probably around the

subject of GDPR, which of course is highly topical. This will take place on Thursday 15th March. Please reserve this date in your diaries for early evening event. If you haven't been up to the top of the Tower before, you are in for a treat!

Additional details will be posted very soon.

April 9th

Finance Members Meeting

April 24th

Cross Community Members Meeting - Manchester

June 4th

Revenue Management Meeting

June 14th

Glasgow Quiz Night

July 10th

Cross Community Members Meeting - Birmingham

July 19th

Annual HOSPAs London Quiz Night

September 3rd

Asset Management Meeting

10th September

Cross Community Members Event - Bournemouth

October 8th

IT Members Meeting

November 1st

HOSPAs 2018

December 6th

HOSPAs Christmas Lunch

HOSPAs Sponsors & Patrons

Gold Sponsors include:

Agilysys

Allied Irish Bank

Atos

Avvio

Cardonet

DropBox

Equiom

Euronet Worldwide

Exponential-e

Guestline

Premier Software Solutions

Sky Business

The Nav People

Wi-Q

XN Protel Systems Limited

Zonal

Acentic

AudioCodes

Avenue9

Barclaycard

BDO

Cendyn

Digital Alchemy

FM Recruitment

Fourteen IP

Fresh Montgomery

Fretwell-Downing Hospitality

HFTP

HotStats

Infor

JamJou

Kerry Robert Associates

Keystep

MK Capital Allowances

Moore Stephens

Oracle Micros

Pelican Procurement

Prologic First

QDOS Communications

Rate Tiger

Springer-Miller

STR Global

Watson Farley Williams

HOSPAs Partners

Fresh Montgomery

Hotel Marketing Association

Hotel Technology Next Generation

ICAEW Tourism and Hospitality

Special Interest Group

The IOH

Smart Report

HOSPAs thanks the following companies for being Premier Sponsors of HOSPAs:



Application For Membership



Hospitality Finance, Revenue and IT Professionals

Title (Please tick)	Mr <input type="radio"/>	Ms <input type="radio"/>	Mrs <input type="radio"/>	Miss <input type="radio"/>	Other (Please specify)
Forenames					
Surname					
Date of Birth				Nationality	

Job Title	
Company Name	
Parent Company	
Work Address	
Postcode	
Work Email	
Work Telephone	
Work Mobile	

Home Address	
Postcode	
Home Telephone	
Mobile	
Home Email	
Correspondence Address (Please tick)	Home <input type="radio"/> Work <input type="radio"/>

Which grade of membership are you applying for?

You would normally be granted Ordinary status, but if you wish to be considered for a higher grade then please indicate which and ensure you submit a CV to support your application. Corporate membership is available for 5 or more colleagues. Please call +44 (0)203 4188196 to discuss or email hospa@hospa.org.

Status (Please tick)	Ordinary <input type="radio"/>	Ordinary Student <input type="radio"/>	Associate <input type="radio"/>	Fellow <input type="radio"/>
----------------------	--------------------------------	--	---------------------------------	------------------------------

Your Signature		Date	
----------------	--	------	--

Annual HOSPA Student Awards Ceremony

The London Hilton on Park Lane - Thursday 25th January 2018



Join us for the Annual HOSPA Student Awards Ceremony to celebrate the achievements of all our highest achieving learners on the Revenue Management and Financial Management programmes completed in 2017

The event commences at 2.00 pm with a panel debate with distinguished speakers and will be Chaired by Professor Peter Jones MBE, Chairman of the HOSPA Professional Development Committee

Followed by the certificate presentation and a celebratory Afternoon Tea with networking

Tickets are available at £50 + VAT per person.

Please reserve the following places at the HOSPA Annual Awards ceremony on the Thursday 25th January 2018

Number of attendees:	@ £50.00 (£60.00 Inc. VAT)			£
Names of attendees:		Name:	Job Title:	
<i>To book more than four places, please contact HOSPA on education@hospa.org or call 01202 889 430</i>	1.			
	2.			
	3.			
	4.			
Your name:				
Company:				
Address for invoice:				
Telephone:				
Email:				

Please send the completed form to jane.scott@hospa.org to reserve your place(s).

Payments should be made by BACS (bank details on invoice) or by credit card by calling 0203 418 8196.

HOSPA Professional Development, Suite 6 Merley House Business Centre, Wimborne, BH21 3AA