

# THE OVERVIEW

ISSN 2048-4844 DECEMBER ISSUE 2015



## HOSPSPACE 2015 the reviews are in

What to expect in 2016 | Steve Madden remembered

# Welcome to THE OVERVIEW

Dear members,

Many of you will be spending December fretting about a gift for the picky person in your life. Gone are the days when a perfume or aftershave - even the bottle they douse themselves with every day - will do. Even such apparent attention to detail is no longer enough. The internet can bring anything from around the globe to your door and the pressure is on to make it count. With jewellery makers in Wyoming prepared to make an R2D2 pendant inscribed with the blood types of all your children, how can the High Street compete?

It's not just jewellery. The hospitality sector is coming under pressure from a consumer used to having their ultra-specific demands catered to, as delegates heard at this year's HOSPACE 2015.

Liz Hall, Head of Research for Hospitality & Leisure at PricewaterhouseCoopers, raised the question: "Could we be entering a new golden age for hotels? Or a golden age for consumers in terms of choice, quality and price?" Peter Martin, VP, CGA Peach, echoed her, commenting that, in the eating-out market: "Consumers are being given choice and taking advantage of it - but it is much tougher to make money out of that".

Consumers are expressing their demands all over social media, leading Moorfield Group's Heiko Figge to comment: "For many years we have ignored the voice of our customers. TripAdvisor has changed that".

For some, this is an opportunity. CitizenM's Michael Levie told attendees that they should embrace the niche, saying: "Lifestyle is not about curating and being really cool and knowing everything. We as an industry have been too generalist. We need to focus - who is our guest? Where they are growing and going, we will follow."

Follow the guest, follow their star, it's all very festive here at HOSPA.



*Katherine Doggrell*

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# HOSPA

Hospitality Finance, Revenue and IT Professionals

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



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HOSPACE  
Conference & Exhibition 2015

# What did we learn from HOSPACE 2015?

Carl Weldon, HOSPA CEO, looks back over the biggest HOSPACE yet

This year's event was not only the most well attended - a compliment to our HOSPA Community leaders - but was also one of the most diverse and contentious. On the day and since then I have had any number of delegates saying thank you for a great day, of that I think we can be duly proud.

The panels worked well and we had some real expertise from companies around the globe, including Expedia and Tripadvisor, with comments from attendees including: "Main platform sessions in the morning were all very good. Good level of debate and a willingness to express points of view" and "Speakers and panel talks were excellent. Good choice of workshop topics and interesting presenters".

At HOSPA we try and "walk the talk" in as many areas as we can, for example with our HOSPACE app, digital signage, social media and fully-functioning high-speed Wi-Fi. The delegate app - which was proof in itself that an app need not be cost or time-consuming - also provided a rich seam of data. We learned that, during the event, there were:

- 176 profiles created – 4,000 app sessions
- Five polls all with 30+ votes (highest was 50)
- 114 posts to the app social wall including 62 photos
- Most used feature: Schedule (by a factor of three)

- Most viewed schedule item: HOSPA Spotlight Session – Digital and the Hospitality Challenge
- Most popular tweet (10 likes): @HOSPAtweets: "Congratulations to all our scholarship winners. A fantastic achievement. #HOSPACE15"

Or graphically...



The large Samsung Video wall looked fantastic with the App Social Wall on it. All the interactions and photos that were shared can still be seen on [https://walls.attendify.com/wall/yslsI9/event/s\\_yslsI9](https://walls.attendify.com/wall/yslsI9/event/s_yslsI9)

It is always interesting to get delegates' views on a position during a panel session and each time 30 to 50 delegates shared their views and votes with us.

Of course it was also interesting to note that less than half of the attendees downloaded it... not everyone is onboard in this digital age yet. I can't decide whether that is down to our demographic - or perhaps delegates did not have enough free space on their smartphone or tablet!

Twitter was busy for us with almost 1,000 tweets before, during and after the day itself. We had already gone over 15,000 followers in the week before HOSPACE which shows that good social media can work for you and how - only three years ago we started with 178 followers...

Many thanks to the HP Aruba and 14IP teams for all the time spent the day before the event in setting up the Wi-Fi. It was carefully planned and it worked. We used a maximum of 60Mbps peak usage of a 200mb pipe and it worked. We had 473 unique devices on the network, with an average session of 145 minutes. Twenty-eight per cent was PC/Laptop usage - 15% Tablet - 57% Smartphone. Sixty-seven per cent of users were male against 73% of the delegates.



Lesson learnt. Don't go cheap on Wi-F-. Enough said.

It was wonderful to see at least four US citizens or US-based delegates attend HOSPACE. We appreciated them joining us given it was held on Thanksgiving Day and many thanks to their families for allowing them out. Rich Siegel of Hospitality Upgrade wrote a great piece (see [http://www.hospitalityupgrade.com/\\_siegel\\_sez/siegel\\_sez.asp](http://www.hospitalityupgrade.com/_siegel_sez/siegel_sez.asp)) and said "It is always interesting to see how challenges in the UK can be similar to what we are experiencing in the US but also hear about the situations that are unique to that part of the world." Arlene Ramirez - President of HFTP also commented on her HFTP Blog that you can see on <http://blog.hftp.org/hospace-2015-serves-up-universal-hospitality-discussions/> who commented similarly to Rich with "While many sessions were specific to trends and issues being faced in the local UK market, there were also discussions on universal topics faced by all".

We appreciate that there is more time needed for the Workshops and Technical updates. The one complaint was that people wanted to attend more than one of the sessions in each half

hour slot - we will aim for more time for this in 2016.

Leaders and speakers are very positive towards HOSPA and HOSPACE and eager to participate - we had many offers for next year from current speakers and even those who could not make this year. I must say a big thank-you to our three panel chairs - Peter Hancock of Pride of Britain Hotels, Cris Tarrant of BDRG and Paul Slattery of OTUS & Co who brought their panel teams together excellently. Get ready with your questions for next year's HOSPACE!

One of the highlights is always to welcome Ufi Ibrahim of the BHA - she puts across the case for our industry so clearly and so passionately. We spoke about three things:

- National Minimum Wage
- Hospitality VAT
- Rate Parity

We at HOSPA are providing links to the VAT issue so any one can lobby their MP. Some have asked me if it is worth it - the only thing for sure is if we don't try it then it won't work. BHA started with no MPs and now has over 125 on 'our side' on the VAT issue.

Ufi is seen in our summary HOSPACE show-reel video and there is a full interview with her on our YouTube Channel and HOSPA TV together with other leaders in the industry being very complimentary about HOSPACE and why it should be attended.

Many people enjoyed the interview with Michael Levie of Citizen M - expertly quizzed by Hotel Analyst's Andrew Sangster. Michael was as clear and forthright as ever. Seeing our industry leaders up close is always fascinating - you see the character and thoughts much more clearly than in any written article! And that brings me finally to one of the quotes from the delegate App - "Networking - one of the benefits of HOSPACE". As many of the speakers and leaders say in the videos - you cannot get updated or stay with or ahead of the game just sitting in the office. As Slattery added: "It would benefit the investment community to get to more events such as this".

The industry is about people - and it is easy to forget that from a commercial and office background. You must get out to listen and learn from the great - and your peers. Some of them may be both.

See you at the Awards lunch and HOSPACE 2016.

**A reminder that through **FourteenIP** and **HOSPA** you can enter a competition to attend - FREE - **HITEC 2016** - the largest Hospitality technology event in the world.**

This includes attendance at HITEC, Airfare and Hotel Accommodation in June 2016 in New Orleans ([www.hitec.org](http://www.hitec.org) for Event information) Go to <http://fourteenip.com/hospa/> to enter by 16th January 2016.

## Steve Madden



**Stephen Paul Madden aged 60 died at home in Godalming surrounded by his loving family. Steve suffered many complications after a stem cell transplant in 2010 when he was diagnosed with leukaemia. He fought for a number of years and sadly lost his battle on 14th November 2015.**

Steve was born in Liverpool on the 25th August 1955. He spent some happy early years in the city before moving to Southampton with his family.

At the age of 22 he moved to London when he joined the Cumberland hotel, where he met his wife Jane Madden. The couple have been married for 34 years and have two children; Sam aged 32 and Lauren aged 29.

Steve left the Cumberland to work in the hospitality sector with various companies until he retired from Micros, where he was Deputy Managing Director of Micros Fidelio UK, because of his disability.

Steve was very well respected in his field of work as well as in his personal life. He will be remembered for his loving, fun and strong personality. This strength is what stuck with him until the end. He will be very much missed by all.

Carl Weldon Chief Exec at HOSPA said: "I first met Steve at Innsite in 1990. I found him very professional, friendly and great to work with. I am extremely sorry to see someone of this stature in the industry leave us so early."

All here at HOSPA extend their sympathies to the Madden family and all who knew Steve. His loss will be felt by many.



**Chris Denison Smith**  
Director, FM Recruitment

## Nothing new to see here: why you might need to rethink mobile in 2016

There's no doubt that the tipping point for mobile devices has been and gone - they're now the key communications device dominating our lives. Being able to do almost anything via your mobile has become the norm rather than the exception. As a hotelier, here's what you should consider when thinking about your mobile strategy in 2016.

### Why bother? Simple: mobile is now the digital leader

We know that everyone and their grandmother now owns a mobile phone - and the vast majority have feature-rich smartphones. The world over, studies show that device ownership is reaching maximum possible levels. In 2014, the number of mobile phones in Europe and the Americas exceeded the number of people living there.

Despite market saturation, the continued evolution of these devices means they can be relied upon in ever increasing ways. A new report by comScore<sup>[1]</sup> has found that total activity on smartphones and tablets now accounts for 62% of time spent on digital media. Apps alone now represent the majority of digital media usage (54%).

According to Forrester, this means that 70% of adults are spending almost two hours per day on their mobiles; checking messages, posting on social media, buying gifts, paying bills and anything else which is important to them.

What does this mean for hospitality? Well, clearly travel is important to millions of people. eMarketer<sup>[2]</sup> has predicted that in 2016, 51.8% of travellers who book trips digitally, will be using a mobile device. It's just common sense that your digital strategy should start with - and concentrate on - mobile.

So what specifically should you be focussing on?

## Any screen, any time

There is absolutely no use putting effort into a website in 2016 that doesn't work on a smartphone or tablet.

When your customer decides to book a holiday, chances are their nearest device will be a mobile one. They may be sitting on their couch with a cup of tea, or chatting to a friend on a train - their laptop may be tucked away in their room, or in fact, their only contact with a desktop computer may be at work.

If your website is impossible to use on a mobile device, people will leave the site in an instant and they won't come back. In practical terms, this means that your website should be responsive: There is no need to create a separate mobile site, just make sure the one that you have works on all platforms.

The beautiful images that you are using to sell your brand should still be clear and striking, even at a tenth of the size. Information boxes, buttons, and any other elements that display at different sizes on your desktop site, should all scale down nicely to fit the screen of a tablet or a mobile. This will allow the customer to scroll through the information without missing a thing. And it should be made exceptionally obvious what the user needs to do to book: all the studies show that they will not waste time trying to figure it out.

## The all-important booking moment

Booking is make or break moment. According to Phocuswright<sup>[3]</sup>, mobile's share of total bookings will reach 16% in 2016: this is double the share from 2014.

Consumers have become far more comfortable entering payment details into a mobile device than they once were. But they would still be put off by a confusing or drawn-out process. People are likely to store details on apps or use trusted systems like PayPal to save time. This limits the number of steps it takes for them to make a payment, and avoids them repeatedly having to getting out a credit card to check the numbers.

Make sure your business makes it as easy as possible for travellers to spend money with you.

## Apps - Use or delete?

Apps can make life so much easier, but one issue yet to be overcome on most affordable smartphones is the limited space. Any app that isn't useful will get deleted and replaced with a more useful one.

If you are creating an app, keep clear in your mind which of your customers will be using it and what their needs are. Your app

may have longevity on the phone of a loyal business traveller who books with you frequently, but not on the phone of a once a year holiday maker.

Consider that any app you create may only live on your guest's phone for the duration of their stay. Ask yourself how this app can be dedicated to making their experience better?

*39% of people said they'd be more likely to book a hotel offering mobile check-in over others that didn't.<sup>[4]</sup>*

- YouGov

## What can we get you?

Could mobile solve the problems that have been triggering guest's complaints for years?

In a recent YouGov<sup>[5]</sup> poll, half of the people surveyed said that hotel check-in queues were too long, 21% had problems with key cards, and 12% said it took too long to order room service.

## So what's different when mobile devices enter the equation?

No longer would a hungry guest have to dial through to the right department, wait for an answer, and then recite their order to a member of staff, who would then have to pass it on to the chef. Being able to browse a menu on an app - in the appropriate language - to instantly add items to an order, and place the order with one click, is a convenience that saves the guest valuable time.

An app like this could also let guests keep track of charges so there are no surprises when it comes to checkout.

## An efficient workforce

It's not just guests who can benefit from the efficiencies of a mobile device.

- Equipping a concierge, maintenance person or cleaner with a tablet could make their work easier.
- Real-time checkout information could be shared with staff so that the housekeeper knows to avoid those late sleepers, who will only leave at the last possible minute.
- The tablets could simplify communications between staff, enabling them to flag issues with managers or update information instantly - and without them having to leave their posts.

## Anything else for you?

Augmented reality has both practical and novel implications for the world of hospitality, as viewed through a mobile device. At the moment this technology is mostly used in billboard adverts and magazines. It is being used to bring still images to life, either by adding moving elements or redirecting the viewer to an appropriate website.

Augmented reality apps can recognise images and tap into data on your device. They can show you relevant information based on where you are and what you are looking at. So a tourist making

their way about a new city could potentially use the app to translate a sign into a different language, add real time traffic information to a map, or overlay directions onto whatever view they are seeing. The implications for the hospitality industry are stunning.

## It's not new, just better

The rise of mobile is arguably last week's news. But changes in consumer behaviour and advances in technology mean that getting to grips with the mobile platform in 2016 will be key to your growth strategy.

The important thing to remember about how people interact with mobile devices is that they are always looking for convenience and efficiency. How can these vital devices, which are already available to the vast majority of people, help make the things we already do 10% easier or twice as fast?

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[www.fmrecruitment.co.uk](http://www.fmrecruitment.co.uk)

[1] [http://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/The-2015-US-Mobile-App-Report?ns\\_campaign=US\\_US\\_SEP2015\\_WP\\_MOBILE%20APP&ns\\_mchannel=email&ns\\_source=comscore\\_elq\\_US\\_US\\_SEP2015\\_WP\\_MOBILE%20APP&ns\\_linkname=text\\_general&ns\\_fee=0](http://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/The-2015-US-Mobile-App-Report?ns_campaign=US_US_SEP2015_WP_MOBILE%20APP&ns_mchannel=email&ns_source=comscore_elq_US_US_SEP2015_WP_MOBILE%20APP&ns_linkname=text_general&ns_fee=0)

[2] <http://www.emarketer.com/Article/By-2016-Most-Digital-Travel-Bookers-Will-Use-Mobile-Devices/1013248>

[3] <http://www.hotelnewsnow.com/Article/16315/Whats-holding-back-your-mobile-bookings>

[4] <http://www.hotelnewsnow.com/Article/16221/Infographic-Stay-enhancing-tech-at-hotels>

[5] <http://www.hotelnewsnow.com/Article/16221/Infographic-Stay-enhancing-tech-at-hotels>

## Back to the future



Jeff Down, Sojern's senior director for the hotel vertical, has put some thoughts into what we can expect in 2016.

**1. Continued Economic Growth in the UK Will Result in Continued Rate Increases.** The London hotel market has been growing at 2.7% per year since 2007 in terms of new hotel rooms. The balance of new supply in the London market is expected to move more towards the budget end of the market with brands such as Premier Inn expanding rapidly. Although there is growth in room supply, it is not rapid and demand still outstrips supply, especially Monday to Wednesday. In the UK there is a strong correlation between REVPAR and GDP. With GDP growing, hotel REVPAR and profitability is expected to grow in 2016. With London and Regional UK occupancies now at their highest level in a decade based on PWC research (London -84% and Regional UK -77%), hotels are in a stronger position to raise rates and boost profitability. With ongoing economic growth, moderate rate increases are likely to continue next year.

**2. In the Hotel and OTA spaces, the Big Are Only Getting Bigger. The Marriott/Starwood merger made every hotel chain on the map stand up and take notice in late 2015.** Next year, we expect other hotel companies to try buying/selling in order to consolidate on size and distribution. We're already seeing some movements even before the end of the year: in early December, Chinese economy chain Homeinns Hotel Group signed a merger agreement with BTG Hotels Group Holdings Co. and Stockholm-based investment company Pandox AB acquired

18 hotel properties in Germany from Fattal Hotels of Israel. Things will be moving in the OTA space, as well. Over the past 18 months, large OTAs have been in a shopping frenzy: Sabre acquired Trust International, TripAdvisor bought Viator, and Expedia famously acquired not one but two players in short order - Orbitz and HomeAway. We expect that neither Skyscanner, Hipmunk, nor HotelTonight, which recently trimmed down to streamline operations, will remain independent by the end of 2016.

**3. Airbnb Graduates from David to Full-fledged Goliath.** Very recently Airbnb disclosed that it had raised \$1.5 billion in new funding and a recent SEC filing gave it a reported valuation of around \$25 billion. That's remarkable, but hardly surprising. Over the past year, Airbnb emerged as a growing threat for hotels globally, in spite of the fact that their share of the overall room supply in Europe, Japan and other key markets is still relatively low. Estimates suggest that Airbnb now has around 1% of the hotel room supply, but with plans to increase this to 10%, they will become a significant competitor to hotels. This could also have ramifications for OTAs. However, most hotels now recognise that this will be a significant force to be reckoned with going forwards, particularly as Airbnb's supply can simply be turned on and off on short notice.

**4. Thanks to a Glut of Accommodation, 2016 Will Be Known As the "Price Wars" Year.** In New York, a large lodging pipeline and an increased supply of rooms have already begun putting their mark on the market triggering a price war for hotels. Whilst this predicted price war is great news for consumers, it's not so great for large hotel companies, who are seeing their room-revenue growth stunted. But New York is just the beginning - Boston, Chicago and other key markets are poised to follow.

**5. There's an App for That? Forget About It.** The Key is Responsive Design. In the hotel marketing space, next year will mark a departure from the idea of hotels creating their own mobile apps (except, perhaps for the large chains) and a switch in focus to responsive design sites that can handle all screens. Instead of worrying about app downloads and updates, hotel marketers can now focus instead on creating the best responsive website they can and keeping it constantly fresh and updated. Especially for indy and boutiques, it's more cost-efficient and simply makes more sense.



## JLL buys Avenue9

JLL has acquired IT consulting business and HOSPA gold sponsor Avenue9 Solutions for an undisclosed fee.

Avenue9 said that the move would give JLL “a differentiator which no-one else has”, as investors realise the growing importance of IT.

Avenue9 is currently focused primarily on the UK market, but is expected to expand internationally after being integrated into JLL.

Mark Wynne Smith, Global CEO, JLL Hotels & Hospitality Group, said: “In all respects, IT is an increasingly vital aspect of hotel operations and a growing cost and management consideration for our clients. Avenue9 has developed innovative and highly effective technology solutions designed specifically for the hotels sector, an ideal complement to our existing asset management and advisory services, providing clients with an excellent outsourcing option.”

Kevin Edwards, Managing Director, Avenue9, told this publication: “After a great couple of years which have proven our business model and attracted considerable client interest, our strategic growth plan required us to find a partner with a powerful international platform and reputation for excellence. JLL was always the partner we had in mind. We are delighted with this outcome and looking forward to taking this next big leap forward.”

“We approached JLL and some others, looking for new ways to go to market in terms of getting involved early in opportunities in terms of transactions and new-build, to get IT further up the priority list. A huge amount of the cost of transactions is IT and, in deals, one third of the integration costs are IT - although it’s generally one of the things which is put to the back.

“We believe we are unique in terms of where we are focused - purely around systems and best practice, where so many others are nuts-and-bolts.”

Philippa Witheat, Co-founder, Sales & Marketing Director,

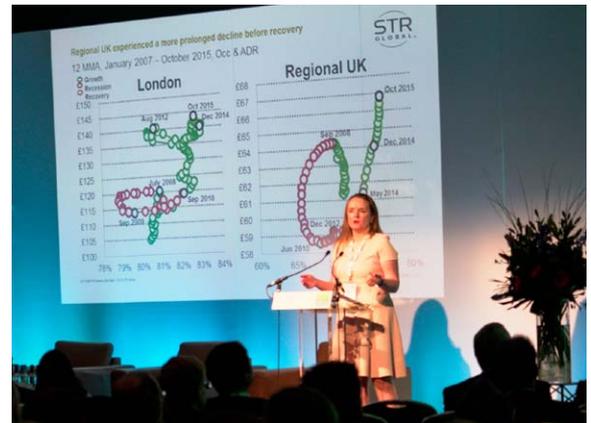
Avenue9, added: “We talked about partnering with JLL, but they don’t typically partner. We went quite quickly from talking to them buying the business. It brings them a differentiator which no-one else has - it’s a big opportunity for the sector, it is such a huge part of what hotels should be doing. It’s very left-field for a lot of people.

“This deal allows us to execute the ideas that we have. JLL have been busy with the integration and making sure that we are involved in every part of the business. This is something which they see going global. Joining with JLL creates a unique combination within the hotels and hospitality services sector. Nothing like this exists elsewhere. This gives us a huge platform on which to build our specialist IT consulting offer.”

Jonathan Hubbard, Head of Investor Services, JLL Hotels & Hospitality EMEA, told us: “We have been impressed with the impact Avenue9 has been making on the UK sector since its launch in 2013. Their capabilities and approach dovetail perfectly with JLL’s ongoing core strategic focus on delivering sector-leading digital capabilities and ensuring our clients have access to the best technology advice and tools. We were looking at where the trends were in the industry and technology is a disruptor. Avenue9 fill a unique space - being agnostic to a number of different systems they can diagnose a clients’ needs.

“Investors see IT as a massive differentiator. Part of the issue with IT is dealing with what is necessary for the business and what is engaging with the customer. Investors have realised that you can’t see IT in isolation.”

The Avenue9 team will continue to be based in Newcastle and will operate under the existing name for a transitional period before fully adopting the JLL brand. The acquisition takes immediate effect.



Innovation is swamping the hospitality sector, with developments in IT and new eating, sleeping and drinking concepts popping up on every street corner, delegates at HOSPACE 2015 heard.

With collective heads spinning, Liz Hall, Head of Research for Hospitality & Leisure at PricewaterhouseCoopers, raised the question: "Could we be entering a new golden age for hotels? Or a golden age for consumers in terms of choice, quality and price?"

Hall said that 2016 would see: "More budget hotels, more four-star, more serviced apartments. Hoteliers tell us that [supply growth] is not a big problem, apart from those who tell us that it is a big problem."

Sarah Duignan of STR Global described a London pipeline of 14,199 rooms and 21,190 in the regional UK. Manchester is leading the regions, while the West End is leading the way in London.

Hall's view was echoed by Peter Martin, VP, CGA Peach, who pointed to 1,300 restaurants having opened in the last year, close to the same number of pubs which have shut. Martin said: "Eating out is helping to transform culture in the city centres. This is not a north/south divide any more, it is big cities versus the rest."

Street food and night markets were named as the disruptors in the market "attracting young people and getting organised", adding "Eating out is virtually recession-proof, but consumers are being given choice and taking advantage of it - it is much tougher to make money out of that". Martin concluded that "mobile and digital will be key to marketing to the Millennials and creating loyalty".

Delegates heard that hotels were becoming more aware of the need to engage more fully with technology, but lagged when it came to implementation.

Carson Booth, VP Global Property Technology, Starwood Hotels & Resorts, told delegates that, "to position owners to be agile for what [technology] comes next is extremely challenging".

Andy Townsend, CEO, Legacy Hotels, reminded delegates that spending on technology need not be extensive, but was a matter of facilitating the technology guests brought with them, commenting: "Customers don't want the technology, they want the functionality".

Big Data remains a source of confusion for hotels, with a survey by eHotelier reporting that 44.5% of those asked in a survey for the event had data analytics in place, but "at the moment they don't quite understand how to use it".

Tom Weaver, CEO, Flypay, commented: "Think of your data warehouse more like a marketplace. Becoming data-driven is not a technical challenge, but a structural one." Stephen Minall, Owner, Moving Food, added that it was important for all areas of the business to have access to the data, saying: "IT stands for

Idiot's in Training, so they might not be the right ones to hold all this data information."

In conversation with Hotel Analyst Editorial Director Andrew Sangster later in the day, CitizenM COO Michael Levie picked up the theme, saying: "We [as a sector] have a lot of data - I'm not sure that we look at it wholesomely. What are we actually doing with it? If you really want to mine data, a hotelier should not be close to that. You must work out what it is that you want to learn."

Levie told the audience that CitizenM was able to monitor "exactly what is going on in our rooms - real time. It tells us so much more about what the guest wants and uses". While this was in terms of technology usage rather than spying on the guest, CitizenM also has a strong relationship with its customers through its social media activity, with Levie adding: "I was asked what the return on social media was, I ask, what is the return on your mother?"

Social media was a thread throughout the day, with Dr Crispian Tarrant, CEO, BDRC Group, saying: "Hotels are good on providing information and trusted, but have not learned the rules of engagement for social media." Tarrant revealed research which showed that hotels had a 78% response rate on Twitter, with a seven hour response time.

"People are engaging with brands on social media for a response to a query, being on social media is about being at a dinner party, it's a conversation. Social media is like boxing - strategically-placed blows," said Mark McCulloch, Founder & Group CEO, We Are Spectacular.

Tarrant also commented on the ever-present topic of the OTAs, warning that, "Hotels give away much more than just commission for an OTA booking - it diminishes the value add of brands. The channel you select can affect how people think and feel about the brand." With BDRC Continental now able to put a monetary value on a flag, hotel owners are being encouraged to think more closely not only about the OTAs, but about the need for a brand.

The hotels present were vociferous in their opinions about the OTAs, with Townsend commenting: "If we don't want to pay commission to Booking.com, turn the f\*cking thing off. We're in charge of the inventory".

Jonathan Ragget, Managing Director, Red Carnation Hotels, added: "It's up to us to ask why a potential customer should come to us rather than go to an OTA. We should be in pole position. Let's be a little bit cuter - let's ask guests why they've used an OTA. Give what you need to give." Be that muffins or a free lunch, he said.

Les Asplen, Managing Director, Best Western Hotels, was more circumspect, adding: "Google could be a bigger threat to our direct bookings than the OTAs. If a customer books for a second time via an OTA, we should find out why that is. I think the rules of engagement with the OTAs will change and we will

work together.” While not deterred by the OTAs, Asplen was concerned instead about the rise of Airbnb, adding: “It would be foolish of us to ignore Airbnb, it’s going to impact. ‘Airbnb is exactly in our market with our ‘hotels with personality’ [the company’s current advertising tagline]”.

Earlier in the day Hall had also identified potential disruptors in the form of Airbnb “taking heads from hotel beds - and that will get worse”.

Levie, who sees one third of CitizenM’s sales come in via the OTAs, was more positive about the new routes to market, commenting: “The OTA has an incredible role - they have a wealth of knowledge. They are teaching us, as an industry.” He added: “It’s more important through which channel you come” rather than focusing on whether a customer could be classified as business or leisure.

For Otus & Co’s Paul Slattery, the industry doth protest too much. He commented: “OTAs are only concerned with rooms, half of demand is booked offline through third-party intermediaries offline. That is the battleground.”

Other issues raised during the day included the skills shortage in the sector, with Townsend commenting: “We often come up with a cowardly F&B offering, because of the skill set available.” Ufi Ibrahim, CEO of the BHA, updated delegates about the organisation’s efforts to cut the rate of VAT for the hospitality sector, claiming that it now has 137 MPs supporting the campaign. She pointed to the Republic of Ireland, which she said had seen business grow by 21% after cutting VAT rates.

For Slattery, the issue facing the sector is not one of the OTAs, skills or VAT, but one of bedrooms being overlooked in favour of restaurants, meetings rooms and other public spaces, in particular from the brands. He commented: “We have a chronic over-supply of non-rooms supply and they continue to underperform.”

Sarah Freeman, Director, Business Partner, Hotel Operations, InterContinental Hotels Group, responded: “Non-rooms allows hotels to increase dwell time.”

The last word went, as it so often does, to Slattery, who commented: “They are not guests, they are customers. The relationship is economic, not philanthropic.” Wise words indeed to take into the new year.



## Protel becomes Xn shareholder

Xn Hotel Systems Group and Protel hotelsoftware have announced a strategic investment and expanded international alliance. Highlights of this new partnership are as follows:

- Protel has become a shareholder in the Xn group of companies
- Xn group companies will change their name to “Xn Protel Systems” (“Xn Protel” or “the Company”)
- Xn has agreed in principle to acquire Protel’s business in Dubai
- Xn Protel has been appointed as the North American sales and service provider for Protel products and plans USA offices in 2016
- Manfred Osthues and Ingo Dignas, two of the founding Managing Directors of Protel, will join the Board of Directors of Xn Protel

Protel’s investment will be directed towards increasing Xn Protel’s presence and capabilities in its existing markets of the UK and Asia PAC and also entry into new strategic markets, in particular the US and UAE.

By providing an expanded capital structure, this strategic initiative positions the Company to take advantage of the hotel industry’s shift to mobile, cloud-based guest technologies. Near-term plans will see the acceleration of sales, marketing and services for Protel Air, Protel’s leading cloud native property management system.

The name change to “Xn Protel Systems” across the Xn group of companies will have immediate effect. The

Company is also delighted to introduce its new corporate branding, whilst commencing work on a new website to be launched in the near future.

Greg Spicer, Chief Executive of Xn Protel, commented: “We are absolutely delighted to be announcing this strategic investment and to be working far more closely with Protel at both an international and corporate level. Protel’s investment will help us take advantage of the major market opportunity resulting from the industry’s shift to mobile and cloud-based application technologies.

“Heralding a new chapter in our successful, 12+ year business partnership, Protel’s direct investment enables the business to expand its product-lines, sales, marketing and services, including a direct presence in the US in 2016.

“Hotels and serviced apartments in international markets will be served by an expanded, rebranded company, providing a genuine global alternative. The investment also strengthens our credibility and capability to support global and multi-national clients requiring seamless end-to-end services in multiple countries.”

Manfred Osthues, Managing Director of Protel, commented: “Protel and Xn have worked together very successfully for over 12 years and we are delighted that, with our investment in Xn Protel, we are now expanding and strengthening our global strategic partnership.

“This investment is especially important, as the advent and introduction of mobile cloud application technology requires a more co-ordinated approach to the global market. As a direct shareholder in Xn Protel, we will be able to work seamlessly to market and support Protel Air outside of our traditional mainland Europe markets and in particular in Asia and the USA.”

## UK hotels - growth is in the air

London hoteliers saw a record 2014 but so far 2015 hasn't replicated this stellar performance, according to new PwC analysis. While average performance metrics are still very high by most global city standards, the pace of growth in London in the first half of 2015 has been mixed. Demand is still strong but the falling Euro is a key issue.

Overall for 2015, PwC expects London to see occupancy growth of 1% taking occupancy to 84%. ADR growth is forecast to be 1.8%, taking ADR to £142. The increase in occupancy and ADR is partly due to the Rugby World Cup in the second half of 2015. This drives RevPAR growth of 2.7%, taking RevPAR to £119.

Looking ahead to 2016, we forecast more growth but at a slower pace with marginal occupancy growth of 0.3% that will keep occupancy at 84% and a 2.2% growth in ADR which will mean rates of £145. This combination will drive RevPAR growth of 2.3% to take yields to £122.

### Regions

The regions have experienced a very good-year-to-date. Around the country, most cities have continued to see very strong RevPAR growth. Growth has come from a mix of occupancy and ADR, but particularly from rates. Exceptions include Aberdeen, which has seen both occupancy and ADR falls drive an 18% RevPAR decline to June. Many cities continue to see double digit RevPAR growth, including Belfast, Bristol, Birmingham, Coventry, Liverpool, Nottingham, Plymouth and Southampton. Overall strong trading and low supply mean that for 2015 PwC expects 1.6% occupancy growth, taking occupancy to

76% and ADR growth of 4.6%, taking rates to £67. This mean RevPAR growth will be 6.3%, nudging RevPAR to £51. We forecasts further growth in 2016, but just not at the same pace with a 0.6% gain taking occupancy to 77%. ADR growth is predicted to fall to 3.5%, taking rates too£69. This means RevPAR growth of 4.2%, taking RevPAR to £53.

Pressure from the sharing economy "In London, the numbers of Airbnb listings are increasing and this trend is likely to continue and cause localised issues for hotels "

The rise of shared accommodation platforms for business and leisure has meant more travellers are aware of the brands and the opportunities of experiencing staying in shared space.

Liz Hall, head of hospitality and leisure research at PwC, added: "In London, the numbers of Airbnb listings are increasing and this trend is likely to continue and cause localised issues for hotels, around pricing pressure and/or underutilisation, especially for undifferentiated products. Such an impact is likely to be felt more strongly by hotels in a downturn." Looking ahead, it will be interesting to see how much of a threat sharing economy platforms pose to hotels and if shared platforms will take the 'cream off the milk' at the times of peak demand. Like the

branded budget hotels 30 years ago, will rental sites create a new stream of demand for destinations and allow hotels to capitalise on a new type of customer.

### 2015 sets new record for UK deal activity

There has been a strong correlation between deal activity and market performance growth over the past eight years, and 2014 was no exception with RevPAR growth equating to 7.7% in 2014, the highest growth in recent years, and total deal volume exceeding £5.5 billion, only marginally behind the 2006 peak.

### What to expect for 2016

So what does 2016 have in store? There are a number of possible transactions currently rumoured in the market including the sale of Travelodge and Lone Star's Amaris group. So with some major transactions a possibility in 2016, we forecast total deal volume to remain above previous peaks (albeit behind the record level forecast for 2015) with continued activity in the regional portfolio market in particular. It remains to be seen, however, whether the currently perceived property bubble could burst, leading to a retraction in the number of planned hotel deals to come.



## HOSPA scholarships

The winners of the 2015 'HOSPA Hospitality Career Investment Development Scholarships', sponsored by Fourteen IP, were announced at HOSPACE 2015.

The 2015 HOSPA Career Investment Development Scholarship winners are: Craig Munro, General Manager, Novotel Edinburgh Centre, who won a special HIT Scotland/HOSPA Scholarship – open to applicants from all levels and sectors of Scotland's hospitality industry, offering learning experiences for career development; Richard Whittle, Commercial Manager for Lake District tour specialist Mountain Goat and sister company, Lindeth Howe Country House Hotel; Stephanie Banfield, a BA undergraduate in International Hospitality Management, Faculty of Management, Bournemouth University; Morgane Cajon, studying for a BSc (Hons) in International Hospitality Management, School of Tourism and Hospitality, Plymouth University; Joshua Jayakar, a BA (Hons) undergraduate in Hospitality Management, London College of Hospitality and Tourism, University of West London; Lorraine de Luget, studying for a BA (Hons) in International Hospitality Management, The Oxford School of Hospitality Management, Oxford Brookes University; and Abi Reid, a BA undergraduate in International Hospitality Management, School of Sport and Service Management, Brighton University.

The scholarship winners – all under 30 years of age – were nominated by: Stephen Broughton, Managing Director, Mountain Goat and Lindeth Howe Country House Hotel; Jeff Sadd, Lecturer in Finance, Faculty of Management, Bournemouth University; Craig Wight, Programme Leader, Undergraduate Hospitality and Cruise Degree Programmes, Plymouth University; Caroline Allan, Course Leader in Hospitality Management and International Hotel Management, London College of Hospitality and Tourism, University of West London; Cathy Burgess, Senior Lecturer in Financial Management, The Oxford School of Hospitality Management,



One of the seven 2015 recipients of 'HOSPA's Career Investment Development Scholarships' – Abi Reid (left), a BA undergraduate in International Hospitality Management, School of Sport and Service Management at Brighton University, was pictured yesterday at the Association's HOSPACE 2015 Conference and Exhibition, with Helen Atkinson, Principal Lecturer, School of Sport and Service Management at the University of Brighton, who nominated her for the HOSPA Scholarship.

Oxford Brookes University; and Helen Atkinson, Principal Lecturer, School of Sport and Service Management, University of Brighton.

All the 2015 HOSPA Scholarship winners won the opportunity to learn from, be noticed and publicly recognised at the HOSPACE 2015 Conference and Exhibition. In addition, they attended the Gala Dinner.

Commenting on the scholarship winners, HOSPA Chief Executive Carl Weldon said: "We are delighted that that our new joint HOSPA Career Investment Development Scholarship offer, with HIT Scotland, has resulted in Craig Munro, General Manager, Novotel Edinburgh Centre, spending

the day with us at HOSPACE 2015. We look forward to working closely with HIT Scotland and welcoming more hospitality industry scholars from north of the border at HOSPACE 2016.

"Our congratulations go to all our 2015 HOSPA Career Investment Development Scholarship winners. I am confident that HOSPACE 2015 will have proved extremely beneficial to Craig Munro, Richard Whittle and the five talented students – with possible future careers in hospitality finance, revenue management and IT. The scholarships fit a HOSPA priority objective to provide information, education and inspiration; and yesterday's HOSPACE 2015 Conference and Exhibition will have given them all an invaluable platform for enhancing learning and networking with top industry experts, whilst gaining recognition from the hospitality profession at large. The awards underpin HOSPA's commitment to the future of the industry through the ongoing provision of professional development."

Neil Tolley – Managing Director of Fourteen IP, sponsor of HOSPACE 2015 and HOSPA Career Investment Development scholarships –added: "Fourteen IP was delighted once again to be a major sponsor of HOSPACE, not only providing the general sponsorship for this key Industry event, but also providing support for these young people and their Career and Future Career Scholarships at HOSPACE 2015. This ties in with Fourteen IP's commitment to the HP Apprenticeship Scheme in the technology area of hospitality."

Also Fourteen IP showed a film about the HP Apprenticeship Scheme to coincide with the public presentation of the '2015 HOSPA Hospitality Career Investment Development Scholarship' winners to the HOSPACE delegates.

# Learners awarded Associate (Certificate) membership status of HOSPA following successful completion of their studies during 2015:

## Financial Management Programme

### Margita Alsina

Accounts Assistant, Radisson Blu Glasgow

### Louise Ayres

Assistant Financial Controller, The Beaumont Mayfair Hotel

### Luca Basilico

Business Finance Manager, Vision Asset Management Company

### Ivana Covic

Payroll Manager, Jumeirah Carlton Tower

### Tiffany Fabian

Accounts Assistant, Village Hotel & Club Warrington

### Sophie Kendrick

Finance Graduate, Jurys Inns Birmingham

### Sarah Kundi

Accounts Assistant, Brown's Hotel

### Bethany Maxwell

Finance Futura, Formerly Westin Paris

### Nikhil Mehrotra

F & B Finance Cost Controller, Grosvenor House Hotel

### Louise Murray

Accounts Assistant, Carlton Hotel Edinburgh

### Florence Rabaud

Executive Assistant Manager, Hotel d'Angleterre Switzerland

### John Robson

Accounts Assistant, Jurys Inn Newcastle Gateshead

### Paul Steenson

Credit Controller, Marriott Glasgow

### Robin Stenlund

Finance Futura Management Trainee, Hotel Cafe Royal

### Benjamin Taylor

Finance Officer, Hilton Puckrup Hall

### Mahela Vidanapatirana

Assistant Finance Controller, The Royal York Hotel

### Jose Zhang

Graduate Management Programme Trainee, Sheraton Stockholm Hotel

## Revenue Management Programme

### Sarah Clayton

Revenue & Kinetics Manager, VenueBirmingham

### Sally Cory

Revenue Manager, Marriott Hotels

### Michael Crossan

Lecturer in Hospitality and Tourism, Trallee Institute

### Emma Olney

Revenue Management Analyst, Whitbread Hotels & Restaurants

### Rosalyn Qemalja

Conference & Events Sales Manager, Double Tree by Hilton Nottingham Gateway

# HOSPA

Hospitality Finance, Revenue and IT Professionals

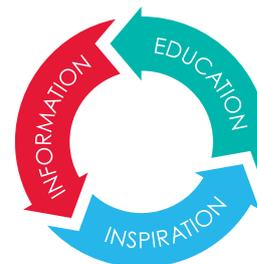
Professional Development

**We are currently enrolling for the March 2016 intake on the Financial Management and Revenue Management programmes.**

Make contact with HOSPA today to find out how you can kick-start your career in hospitality.

We recognise that nurturing talent and building expertise is key for the future success and growth of your organisation.

Our courses are developed with credible content, rigorous assessment and recognised accreditation, meaning your investment in developing your career in finance or revenue management is in capable hands.



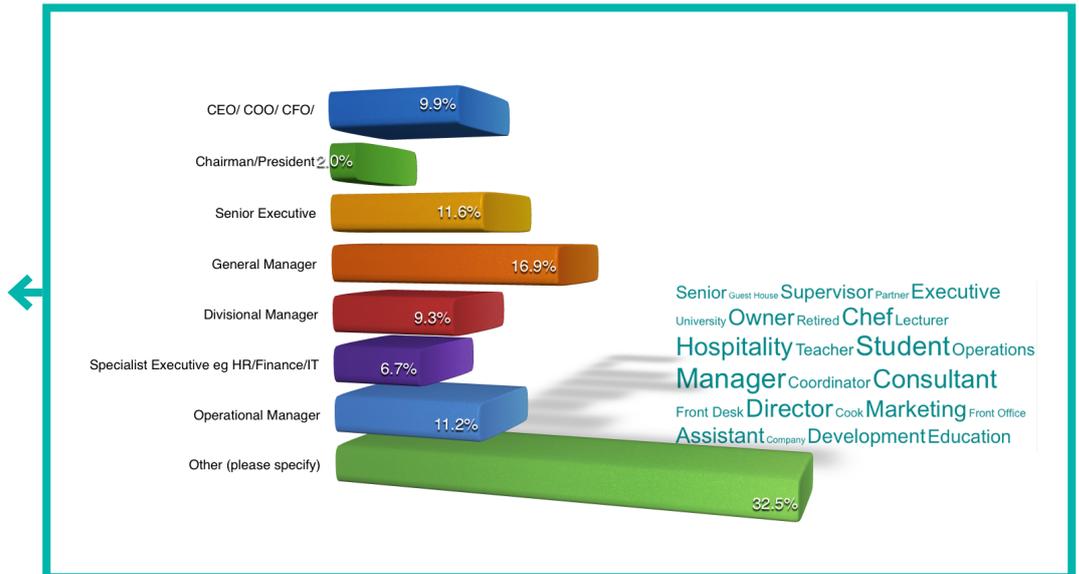
education@hospa.org / +44 (0)1202 889430

[www.hospa.org](http://www.hospa.org)

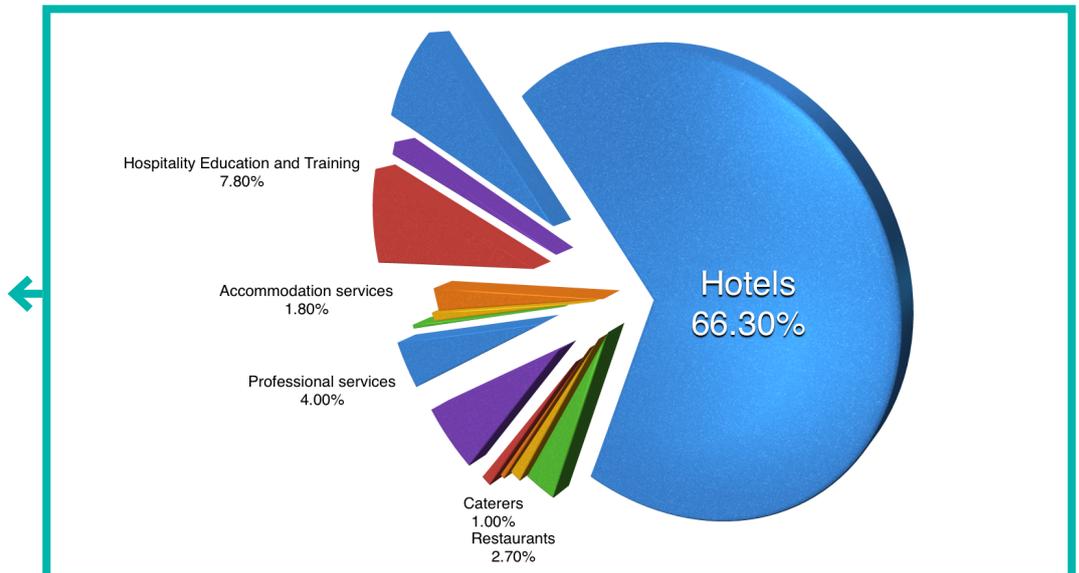
# Question Time

Professor Peter Jones, MBE, shares the findings of an eHotelier/Hospa survey, first presented at HOSPACE 2015.

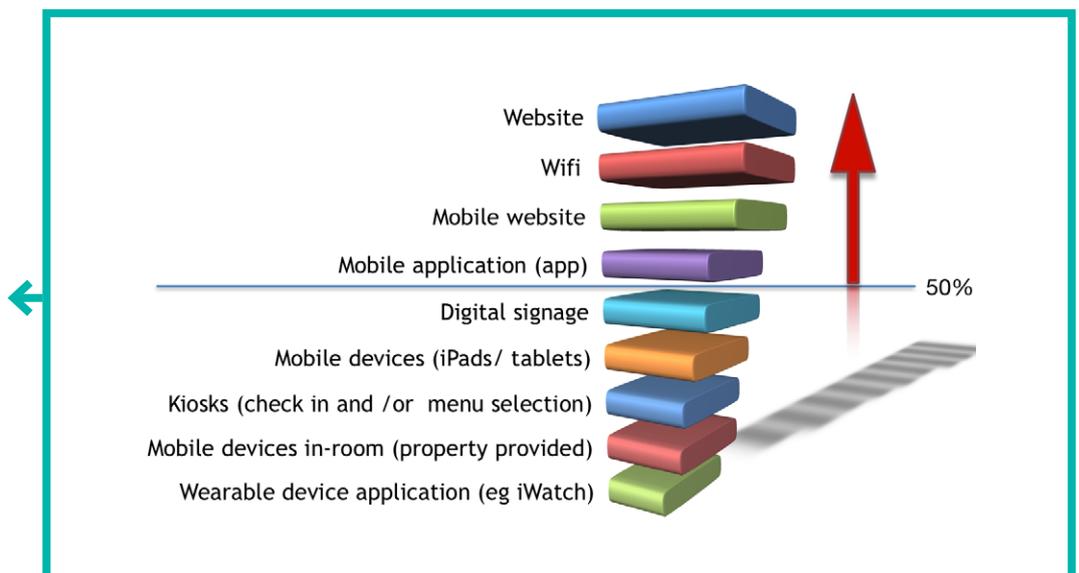
The survey was conducted over a one month period, collecting over 1,270 responses. Sixty-seven per cent of the respondents were in senior positions within hospitality organisations. The balance of "others" were in education, operations, consultants and owners along with a number of interesting job titles!



Sixty-six per cent of the respondents were working in hotels and of those over 50% were working in hotels which work across international boundaries. A similar percentage - 50% - were in small to medium organisations employing less than 250 staff.



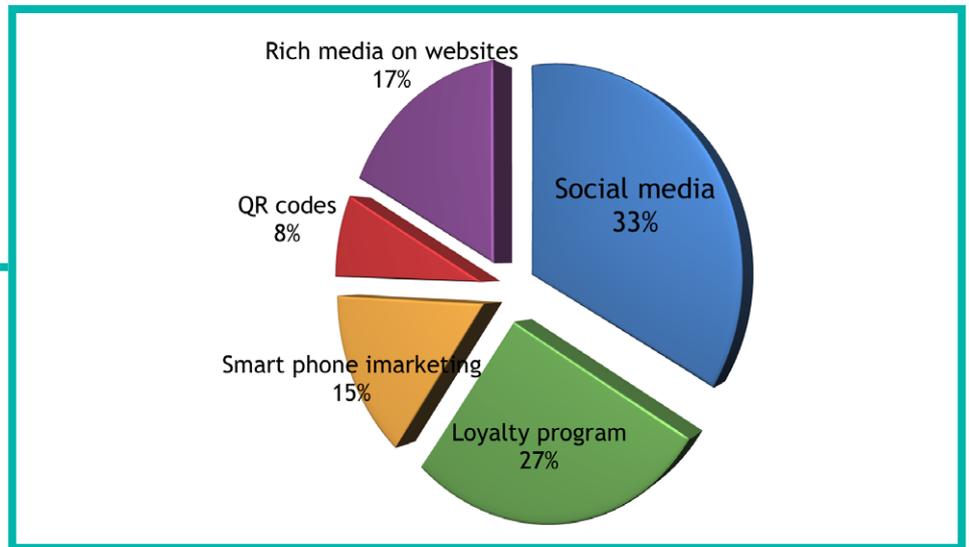
Technology in use in those properties or planned for implementation within the next 12 months are shown. Taking the top-ranked position, all respondents have a website and the technologies therefore graded down from that position to the 50% mark the top four systems - those that are most in use throughout all of the hotels. Those below the 50% line represent those where there is less utility utilisation or planned utilisation. Should be noted that the Wi-Fi question is related to that which is provided free to guests.



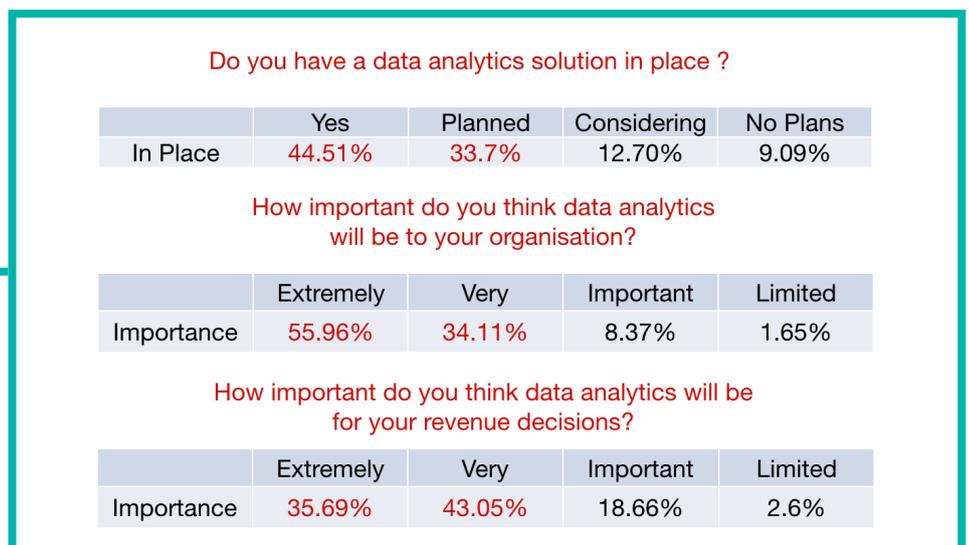
Online direct reservations have the greatest impact on business, with the second being the free Wi-Fi - interesting given the number of international corporates that are still try to charge for Wi-Fi. The head of Oracle hotels has commented that Wi-Fi is now considered by guests to be almost a utility and they have the same expectation as they would that the shower produces hot water. Those below the line have limited impact on the bottom line of the business with little indication that they will become more important over time. The OTAs ranking at third in terms of business impact is perhaps a surprising finding.



When considering the impact on marketing of technologies, the largest by far is the use of social media, the second is maintenance of their own loyalty programme, thirdly the development of rich media on websites followed by marketing using smart devices. The use of QR codes ranks low and of those responding few if any have any intention of developing QR codes as part of their marketing strategy.



It is interesting that 44% of respondents reported having a data analytics solution in place, with a further 33% planning to introduce such a solution within the next 12 months. Nearly 90% of those surveyed see that data analytics has an important role within their organisation although the proportion of the respondents who felt that, having implemented a data analytics solution that they considered to be extremely or very important, they were slightly less likely to consider its importance in supporting revenue management decisions. There seems to be a slight anomaly here; that they seem to want it, they think it's important to have it, but probably don't quite understand how to use it.



The survey was undertaken in conjunction with ehotelier with the initial analysis being undertaken by the HOSPA professional development. eHotelier and Hospa have developed a strategic partnership to promote the shared aims and objectives of both organisations. eHotelier is the global portal for hospitality professionals that produces a daily newscast to its 78,000 daily subscribers in 191 countries. It supports professional development through a range of activities including providing insights into trends and developments within the industry and has recently undertaken an executive development survey in addition to the IT survey.



**Property investors have been hit by a hat-trick of measures in this year's Autumn Statement, according to accountancy and business advisory firm, BDO LLP.**

A 3% increase in stamp duty on second homes and investment properties from April 2016, an acceleration of capital gains tax payments on residential properties to 30 days after sale and a housing benefit cap potentially hitting rents will make property investment a less attractive option.

Despite the Chancellor's ambition to rebalance the UK economy there were no measures aimed at boosting the UK's mid-sized businesses – a segment of the economy that creates one in four private sector jobs, delivers £1tn in revenue and is geographically spread across the country.

David Brookes, Tax Partner at BDO LLP, said: "This was the third 'fiscal event' of 2015 following on the heels of the Summer Budget and we are only a few months away from Budget 2016. Accordingly, as predicted, the focus was on the spending review and economic forecasts rather than dramatic fiscal changes which can be left to the Budget.

"The Chancellor described this as a big spending review from a government that does big things but it has largely bypassed

medium sized businesses, the backbone of the UK economy creating one in four jobs and over £1tn in revenue.

"As well as the continued focus on tax evasion and avoidance, the biggest losers in the Autumn Statement were property investors, including foreign investors, who will be hit by a hat-trick of measures.

"The Chancellor's commitment to delivering the £12bn welfare saving in full was a surprise that meant there was no hole in his spending cuts to be filled with additional taxes. The Chancellor said that based on the OBR's growth forecasts, the increase in tax receipts along with reduced government borrowing costs should keep his plans to eliminate the deficit on track. However, it will be interesting to see how robust these forecasts prove to be as the tax receipts in recent months have been weaker than expected.

"Large employers with employment costs broadly over £3m will be subject to the apprenticeship levy announced in the last Budget and the rate was announced as 0.5% of employment costs.

"The Chancellor also announced 26 new Enterprise Zones in order to help balance the UK economy geographically which is a welcome change to support areas of the UK that are struggling to grow".



## Post-Paris nervousness hits London's eating and drinking-out markets

**London's pub and restaurant trade saw sales dip in November in the wake of the Paris terrorist attacks. Public nervousness about going out led to a 1.5% decline in like-for-like sales in the capital, with chain restaurants feeling the biggest impact, according to latest figures from the industry's sales barometer, the Coffer Peach Business Tracker.**

Restaurant groups saw collective like-for-likes inside the M25 down 2.6% on November last year, with managed pubs behind by 0.8%.

"Although the rest of the country managed to deliver a slight sales uplift of 0.3% on the same month last year, the impact on London sales left managed pubs and restaurant groups nationally looking at an overall 0.2% like-for-like decline for the month," said Peter Martin, vice president of CGA Peach, the business insight consultancy that produces the Tracker, in partnership with Coffer Group, RSM (formerly Baker Tilly) and UBS.

"When you consider that October had seen a 2.5% jump in like-for-like sales nationally, with London up 3.5%, you can see the scale of this November's fall-back. Also November 2014 had seen a 3.4% increase on 2013," added Martin.

"The public's nervousness is understandable and it seems London has been affected both by a drop-off in tourist business and Londoners not staying out as long after work. Operators are reporting both reduced sales and cancellations of bookings, in restaurants and late night venues.

"The difference between November trading in London and the rest of Britain is most marked in the casual dining sector, with the 2.6% London decline contrasting with 3.5% like-for-like

growth away from the capital," said Martin.

"London will be hoping that public confidence returns for the Christmas and New Year festive season, in what should be the industry's busiest trading period."

Among the 30 companies that make up the Tracker cohort, total sales, which include the impact of new openings, were ahead 3.5% nationally on November last year, although flat in London.

Trevor Watson, director at Davis Coffer Lyons, part of the Coffer Group, said: "The international dimension seems to be having a significant impact on London in particular. Sterling has strengthened considerably over the last year, which is likely to be having an adverse effect on the spending of overseas visitors who make up a large proportion of London diners. This longer term effect, combined with the short term effect of the Paris bombings, is resulting in weak statistics for London in November. With the local London economy overall in good health, operators should however continue to look forward to a strong December."

Paul Newman, head of leisure and hospitality at RSM, added: "After two years of almost uninterrupted like for like sales growth, these figures will act as a reality check for the eating and drinking out sector. Consumers remain nervous about the overall state of their finances and with operators facing significant cost increases next year, a buoyant festive trading period will be viewed as particularly crucial this year."

Jarrold Castle, leisure analyst at UBS Investment Research, observed: "The 12-month moving average growth rate moderated to 1.3% for like-for-like sales (vs October 1.6%), while total sales growth was 5.2% (October 5.5). The 12-month moving average inside the M25 is now 1.5%, against 2.1% in October, while outside is 1.3%."



## Cardiff takes RWC crown

Despite the exit of their home nation in the quarter finals of the tournament, hoteliers in the Welsh capital were wearing broad smiles in October as they recorded a 116.5% year-on-year increase in Gross Operating Profit per Room (GOPPAR) for the month as the city swelled with Rugby World Cup fans, according to the latest data from HotStats.

Cardiff is renowned for its ability to effectively host major events, with the Six Nations and fixtures from the Autumn International Series typically creating spikes in annual performance. However, all expectations were exceeded this month as the city hosted five games, including two high-profile quarter final matches and the electric atmosphere spilled out of the Millennium Stadium on to the streets of Cardiff with street theatre, music and the Rugby World Cup Fan Zone, visited by more than 150,000 people during the tournament.

The benefit of the influx in demand was not only reflected in the 68.2% increase in RevPAR (Revenue per Available Room), to £101.74, but TrevPAR (Total Revenue per Available Room) at hotels in the Welsh capital soared by +45.1% to £163.48. Departmental growth was achieved in total food revenue (+14.2%) and, in keeping with the stereotype of the rugby fan, beverage revenue, which increased by +32.4% year-on-year.

Demand from the corporate segment wisely avoided the Welsh capital in October, resulting in a year-on-year reduction in demand for this sector, but this was more than adequately replaced in terms of volume and price by Rugby World Cup-related business. In addition to the 4.1 percentage point increase in room occupancy, the 60.3% increase in achieved average room rate at hotels in Cardiff was as a result of rate increases in the Best Available Rate (+42.4%), Leisure (+83.9%) and Groups (+162.7%) sectors. An 88.9% increase was also recorded in the rate achieved in the conference segment as the city hosted numerous corporate hospitality packages associated with the tournament.

### Rugby World Cup Fuels Strongest Month of Profit Growth for London Hotels in 2015

Venues in London hosted a total of 17 games of the 2015 Rugby

World Cup, fuelling the greatest monthly year-on-year increase in RevPAR (+8.3%) and GOPPAR (+10.9%) at hotels in the capital in 2015. Whilst the lion's share of London's games were at Twickenham, there were also regular fixtures at Wembley Stadium and the Olympic Stadium throughout the tournament, spreading the demand for accommodation throughout the city.

The growth in October continues the period of strong operation in Q3 2015, during which London hoteliers achieved a 5.2% increase in RevPAR and 6.7% increase in GOPPAR. This was a welcome upturn following the challenges in H1 2015, in which a 2.5% decline in profit was recorded for the period.

As a result of the consecutive months of growth, as well as the significant uplift in October, year-to-date performance for London hotels is now back in positive territory, at +1.7% in RevPAR and +2.2% in GOPPAR.

### South East Hoteliers Join Many Regions to Have Bumper Month of Profit Growth

Not only did the strong performance in London permeate out to a range of peripheral hotel markets in the South East, the ambition of the Rugby World Cup to reach all corners of the country meant that fixtures were hosted in other locations in the region including Brighton and Milton Keynes. As a result, a 10.3% increase in GOPPAR was recorded at hotels in the South East to £40.95, from £37.14 during the same month in 2014.

Strong year-on-year growth in profit for the month of October was also recorded in other regions which played host to Rugby World Cup fixtures and the projected 466,000 additional visitors to the UK, including the West Midlands (+6.3%), East Midlands (+9.6%), South West (+12.2%) and North East (+28.5%).

The performance of hotels in the South East region in October continues to support a very strong year of results for 2015, illustrated by the year-to-date profit increase of 7.8%. This is well above the 4.2% growth in TrevPAR recorded by hotels in the region and is as a result of a reduction in labour costs and direct expenses in the key hotel departments of rooms and food and beverage.

## The month of October 2015

	Oct'15	Oct'14	Var b/w		
SOUTH EAST	Occ %	78.7	76.5	2.2	▲
	ARR	84.18	81.58	3.2%	▲
	RevPAR	66.24	62.42	6.1%	▲
	TrevPAR	114.06	108.28	5.3%	▲
	Payroll %	29.1	30.5	1.3	▲
	GOP PAR	40.95	37.14	10.3%	▲
CARDIFF	Occ %	87.7	83.6	4.1	▲
	ARR	115.97	72.33	60.3%	▲
	RevPAR	101.74	60.48	68.2%	▲
	TrevPAR	163.48	112.70	45.1%	▲
	Payroll %	24.0	32.3	8.3	▲
	GOP PAR	70.07	32.36	116.5%	▲
LONDON	Occ %	88.5	87.7	0.8	▲
	ARR	169.48	157.77	7.4%	▲
	RevPAR	149.99	138.44	8.3%	▲
	TrevPAR	207.91	194.35	7.0%	▲
	Payroll %	20.6	21.9	1.3	▲
	GOP PAR	108.38	97.74	10.9%	▲

## The Calendar year to October 2015

	YTD'15	YTD'14	Var b/w		
SOUTH EAST	Occ %	76.4	74.6	1.8	▲
	ARR	82.93	80.54	3.0%	▲
	RevPAR	63.37	60.11	5.4%	▲
	TrevPAR	107.62	103.25	4.2%	▲
	Payroll %	30.2	31.1	0.9	▲
	GOP PAR	36.12	33.51	7.8%	▲
CARDIFF	Occ %	79.9	77.5	2.5	▲
	ARR	81.79	71.71	14.1%	▲
	RevPAR	65.37	55.54	17.7%	▲
	TrevPAR	118.08	104.18	13.3%	▲
	Payroll %	30.5	33.0	2.5	▲
	GOP PAR	37.39	28.21	32.5%	▲
LONDON	Occ %	82.1	83.1	-1.0	▼
	ARR	151.66	147.25	3.0%	▲
	RevPAR	124.46	122.35	1.7%	▲
	TrevPAR	172.09	168.60	2.1%	▲
	Payroll %	24.2	24.5	0.3	▲
	GOP PAR	79.84	78.15	2.2%	▲

## The twelve months to October 2015

	Rolling'15	Rolling'14	Var b/w		
SOUTH EAST	Occ %	74.9	73.2	1.7	▲
	ARR	82.34	79.67	3.4%	▲
	RevPAR	61.64	58.29	5.8%	▲
	TrevPAR	106.99	102.41	4.5%	▲
	Payroll %	30.6	31.4	0.8	▲
	GOP PAR	35.25	32.62	8.1%	▲
CARDIFF	Occ %	79.2	76.6	2.6	▲
	ARR	81.10	71.78	13.0%	▲
	RevPAR	64.23	54.99	16.8%	▲
	TrevPAR	118.61	106.09	11.8%	▲
	Payroll %	30.7	32.7	2.0	▲
	GOP PAR	37.05	29.00	27.8%	▲
LONDON	Occ %	81.8	82.5	-0.7	▼
	ARR	151.16	147.00	2.8%	▲
	RevPAR	123.67	121.24	2.0%	▲
	TrevPAR	173.30	169.00	2.5%	▲
	Payroll %	24.2	24.5	0.3	▲
	GOP PAR	80.24	78.35	2.4%	▲

**Average Room Rate (ARR)** - Is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

**Room Revpar (RevPAR)** - Is the total bedroom revenue for the period divided by the total available rooms during the period.

**Total Revpar (TrevPAR)** - Is the combined total of all revenues divided by the total available rooms during the period.

**Payroll %** - Is the payroll for all hotels in the sample as a percentage of total revenue.

**GOPPAR** - Is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

**For more information please:**

call +44 (0) 20 7892 2222  
 email [enquiries@hotstats.com](mailto:enquiries@hotstats.com)  
 visit [www.hotstats.com](http://www.hotstats.com)  
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# Members' Events

**9th February 2016**

## ***Cost Control for Food & Beverage Operations***

Cost Control for F&B Operations is designed for all those involved with the management of food and beverage operations, from head chefs to food and beverage controllers. No prior knowledge of finance and accounting is required.

### **What is this course about?**

This one day course has the purpose of assisting businesses with the effective management and control of food costs, staffing costs and menu pricing; all of which have a direct impact on profitability. Taking a practical approach, the course is highly interactive and uses a series of worked examples, case studies and discussions.

Divided into seven key topic areas, the course covers:

- Best practice in purchasing and stock control
- Menu planning, standard costing and gross profit management
- Impact of sales mix
- Wage and salary scheduling control
- KPI's for food and beverage control
- Break-even analysis for F&B outlets
- Action plans for profit improvement

### **What does it cost?**

This one-day course is priced at £300 + VAT per delegate and includes lunch and course notes, plus 14 days access to the online classroom. The course runs from 9.30am until 4.30pm.

### **Location**

The Apex Hotel, 1 Seething Lane, London

### **How do I register?**

To register your place at this event, please email [education@hospa.org](mailto:education@hospa.org) or call the Professional Development team on +44 (0)1202 889430.

### **For more information**

Please view the Cost Control for F&B Operations course flyer [here](#) or email [education@hospa.org](mailto:education@hospa.org)

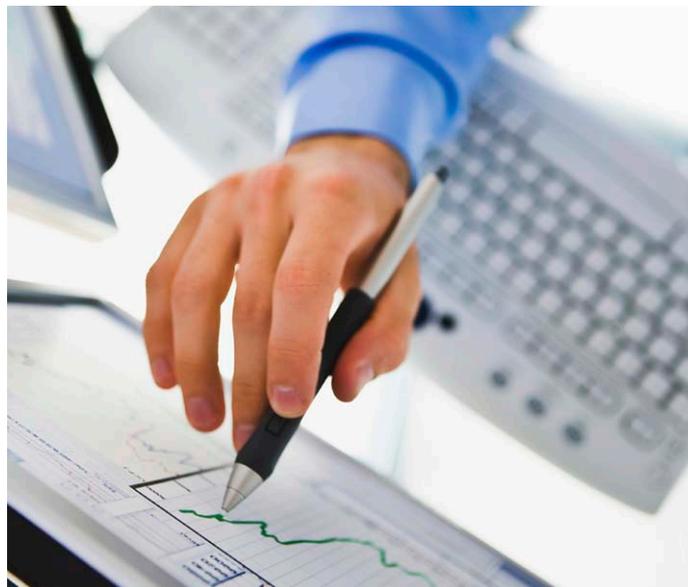
**10th February 2016**

## ***Introduction to the Uniform System for the Lodging Industry 11th Edition for Finance Managers and Auditors***

'Hospitality Reporting and the USALI' has been designed for hospitality finance professionals whose role includes the preparation of internal accounts for control and strategic decision making.

### **What is the course about?**

The objective of this one-day course is to guide hospitality finance professionals through the range of revisions in the new edition of the USALI, which include updates on the



following topics:

- Summary Operating Statement
- Operating Schedules
- Food and Beverage Department
- Non-Operating Income and Expenses
- Financial Ratios and Operating Metrics
- Financial Statements
- Revenue and Expense Guide

These revisions are a reflection of the need to update due to changes in industry practice and Generally Accepted Accounting Practice.

The training will be delivered by Debra Adams, Head of Professional Development for HOSPA and arena4finance, and Diana Mountain, Consultant & Co-Founder at MRMD.

### **What will participants gain?**

On completion of the course, delegates will be equipped with the know-how to be able to:

- Prepare financial statements to industry standard
- Understand, interpret and prepare financial reports
- Remain in compliance with the Uniform System.

### **What does it cost?**

This one-day course is priced at £300 + VAT per delegate and includes lunch and course notes, plus 14 days access to the online classroom. The course runs from 9.30am until 4.30pm.

### **Location**

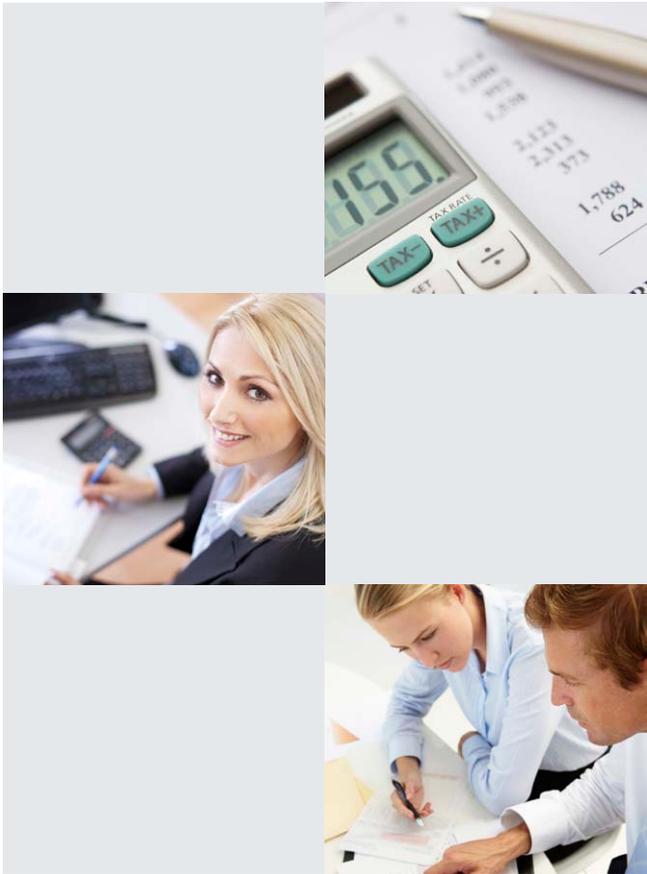
The Apex Hotel, 1 Seething Lane, London

### **How do I register?**

To register your place at this event, please email [education@hospa.org](mailto:education@hospa.org) or call the Professional Development team on +44 (0)1202 889430.

### **For more information**

Please view the Principles and Practices of Hospitality Reporting course flyer [here](#) or email [education@hospa.org](mailto:education@hospa.org)



# HOSPA

Hospitality Finance, Revenue and IT Professionals  
Professional Development

**We are currently enrolling for the March 2016 intake on the Financial Management and Revenue Management programmes.**

Make contact with HOSPA today to find out how you can kick-start your career in hospitality.

We recognise that nurturing talent and building expertise is key for the future success and growth of your organisation.

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Fresh Montgomery (Hotelympia 2016)  
HFTP (Hospitality Finance and Technology Professionals)  
Hotel Marketing Association  
Hotel Technology Next Generation  
Smart Report

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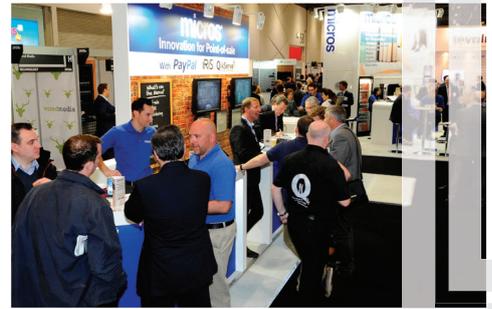
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**HOTELYMPIA**  
EXCEL LONDON  
29<sup>TH</sup> FEB – 3<sup>RD</sup> MAR 2016

## THE HUB OF ALL HOSPITALITY TECHNOLOGY KNOWLEDGE IN ONE PLACE



Whether you are a technology specialist or a hospitality professional with an understanding for the importance of technology to continued business performance, you can't help but have been affected by the relentless gallop of technology. During Hotelympia 2016, the HOSPACE Hub, sponsored by the Hospitality Professionals Association (HOSPA) will help technology specialists, hoteliers, restaurateurs and publicans to better understand and harness for their own outlets, the very latest technological advances.

Visitors can expect to see a host of innovative new solutions throughout the four days. Exhibitors include: Oracle Hospitality who will be demonstrating its innovative cloud, mobile, and guest experience technology; global payment provider Elavon Merchant Services; cloud based hospitality management company, Kobas and fully-integrated property management system provider, Springer Miller.

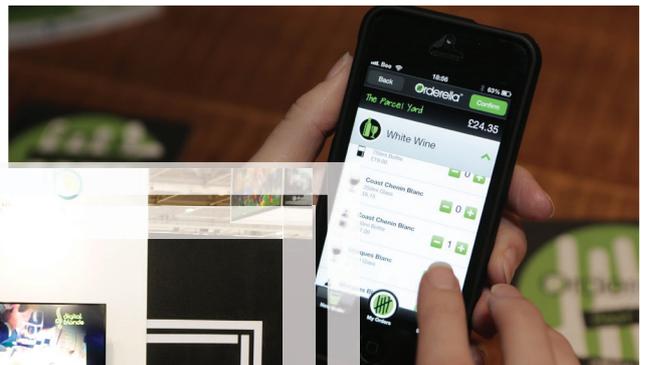
If your company or outlet has a vested interest in utilising technology to strengthen your business practice, then make the HOSPACE Hub a key destination during Hotelympia 2016.



TECHNOLOGY THEATRE

With Discovery, Delivery and Efficiency as key watchwords, the HOSPACE Hub will offer focused panel discussions around acquisition, service experience and efficiency for both guests and diners. Hot-button subjects will include: distribution; reservations; marketing and loyalty; point-of-sale; up-selling; table management; in-room technology; service automation; supply chain and inventory management.

The Hub will welcome a number of key influencers and experts onto its stage, including: Google UK's Head of Hospitality, Terri Scriven, who will be talking about how sites can, with limited resources, make digital channels a boon rather than a bane; CEO of Hotelympia Innovation Award winners, Orderella, Denis Collet, who will be discussing functional technology and how its development is being driven by a whirlwind of customer demand; Digital Blonde Karen Fewell and My Ly, Senior Marketing Manager for YO! Sushi, who will be debating the merits of digital marketing on a budget and Tom Valentine, Co-founder, Secret Escapes, who will be investigating the developing of relationships between booking agencies and restaurants and hotels.



HOSPACE **hub**



The UK's most comprehensive hospitality event, Hotelympia, returns to the fold in February 2016 (29th February – 3rd March) ExCeL London. Registration is now open, so don't delay and book a place at *Your Show*:  
[www.hotelympia.com//hospa](http://www.hotelympia.com//hospa)

Follow @Hotelympia on Twitter for the latest show news and keep up-to-date on any new announcements.

HOSPA members receive exclusive Premier Club benefits.  
To gain access to the Premier Club hosted lounge, refreshments, and free cloakroom register at  
[www.hotelympia.com/hospa](http://www.hotelympia.com/hospa)