

THE OVERVIEW

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VAT UPDATE
AGENT OR PRINCIPAL!

TECHNOLOGIES HOTEL GUESTS
WANT & DON'T WANT

RM PAYS FOR ITSELF
WITHIN
2 MONTHS

HOSPACE
CONFERENCE & EXHIBITION
-COMING THIS NOVEMBER

Welcome to THE OVERVIEW

The early days of October will be remembered for the unseasonably warm weather here in the UK. Whilst the later summer weather may quickly disappear, the heat is still on here at the HOSPA HQ, as membership levels soar to over 1,000 and we continue to develop our range of members' benefits and services. As you read this, our new website for members will be live - providing you with an array of updates, news and resources, plus details for all our forthcoming events and activities. **Try it out at www.hospa.org!**

This month, we are delighted to bring you articles from our recent events on revenue management and the EU Agency Workers Directive as well as an update on our forthcoming activities including HOSPACE 2011, EHTEC@HOSPACE and the Annual Awards Lunch. To book for all these events call HOSPA Membership and Services on 01202 889430.

As always, we look forward to meeting you soon at one of our events.

Debra Adams

Editor



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HOSPA

Hospitality Finance, Revenue and IT Professionals

BAHA Moving Forward

Editor

Debra Adams
+44 (0) 1202 842809
Debra.adams@hospa.org

Editorial Board

Diana Mountain, Finance & Accounting Committee

Bryan Steele, Information Technology Committee

Warren Mandelbaum, Revenue Management Committee

Alec Jones, Taxation Committee

Membership, Subscriptions & Events

Rob Maloney, Membership Officer
rob.maloney@hospa.org

Wayne Gosden, Membership Services & Events Marketing
wayne.gosden@hospa.org

Martina Ertlmeier, Membership Services & Events Marketing Assistant
martina.ertlmeier@hospa.org

+44 (0) 1202 889430

Education Coordinator

jane.scott@hospa.org

Publisher

The Overview is published by:
HOSPA
Suite 6, Merley House Business Centre
Merley House Lane
Wimbome
Dorset
BH21 3AA
+44 (0) 1202 889430
www.hospa.org

Design and Production

Unstuck Design Ltd
Renshaw Barns
Upper Woodford
Salisbury
Wiltshire
SP4 6FA
hello@unstuckdesign.com
+44 (0) 1722 782873
twitter.com/unstuckdesign

Printer

Dorset Digital Print
16 Glenmore Business Park
Blackhill Rd
Holton Heath
Poole,
Dorset
BH16 6NL
+44 (0) 1202 332 044

The Overview online

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www.hospa.org

Hospitality Revenue Management

Community members meet for breakfast workshop

The latest HRMC meeting for HOSPA members was held on Friday 16th September 2011 at De Vere Holborn Bars in London and was attended by over sixty hospitality professionals, both members and guests, looking to widen their knowledge on benchmarking products in the market place.

The workshop was titled 'How do we effectively use data for benchmarking?' with the objective to present and share best practice using benchmarking tools, an opportunity for experts in the field to provide some key insight into their use and equip the attendees with some hints and tips to ensure they get the best out of the tools. The following companies presented:

- STR Global
- HotStats
- RateTiger
- Conference Bench

As usual, members attended free of charge with a nominal fee of £15 charged to non-members wishing to brush up their benchmarking skills.

Even the most experienced attendee agreed that they were able to take away new information from the event, and the format was an effective way of seeing all companies in a short space of time.

After the event, attendees received a complimentary booklet with an overview and best practice tips from each vendor to take away. The HRMC continues to arrange networking events with an educational theme, including sharing latest technology and strategic trends with the revenue management community. We look forward to welcoming you to participate in our next event!

HOSPA members meeting review

On 1st October 2011, the EU Agency Workers Directive comes into force and gives extra rights to workers employed by an Agency, but who take their work instructions from another employer. The basic working and employment conditions, including pay, of workers employed by agencies must be "not less favourable" than those of directly recruited permanent employees. Agency workers acquire these rights generally after twelve weeks of an assignment, but some rights, such as access to vacancies and onsite facilities, have effect immediately. Research suggests that there are between 1.1 and 1.5 million agency workers in the UK, representing potentially 20% of staff in the hospitality sector.

With this deadline looming we were delighted that HOSPA Patron Watson, Farley & Williams was able to provide HOSPA members with a very detailed insight into the practical implications arising from this Directive at the HOSPA members meeting on 26th September, held at the Jumeirah Carlton Hotel, London. Delegates received an extensive pack of information to take away to help them to implement the requirements in their own businesses and the lengthy discussions that ensued following the presentation suggested that this topic was very relevant to our members.

Our thanks to the speakers Liz Buchan, Partner, and Asha Kumar, Solicitor at Watson, Farley & Williams for the presentation and to David Nicholson and his team at the Jumeirah Carlton for hosting the event.



Asha Kumar is a solicitor in the Employment Team and regularly deals with both contentious and non-contentious law matters. She has prepared policies and procedures, drafted directors' agreements, advised on high-level terminations of employment and defended employment tribunal claims. She regularly provides clients with strategic advice and her experience extends to assisting with implementing large-scale redundancies programs and global business reorganisations.



Liz Buchan joined Watson, Farley & Williams in 1994 and heads the employment law team. Liz deals with all areas of contentious and non-contentious employment and labour law matters, and also advises on employee benefits and share options. She has over 20 years experience of employment law issues and is recognised as a leading individual in the field of employment law by Chambers' Guide to the Legal Profession. Liz's client-base spans a range of industries including energy/resources, finance, telecoms and media, and she also acts for senior executives, usually upon joining or leaving employment. In 2010 Liz received an award from the Association of Women Solicitors in recognition of her management skills. For more information contact ebuchan@wfw.com or akumar@wfw.com



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VAT Update - Agent or Principal?



The Upper Tier Tax Tribunal has recently released its judgement in favour of the taxpayer in the Secret Hotels 2 Limited (formerly Med Hotels) case which raises some interesting tax issues for travel intermediaries and hoteliers.

Med Hotels is known in the travel industry as a bed bank – an online travel business selling holiday accommodation in popular holiday destinations worldwide. Bed banks typically enter into net rate agreements with hoteliers, under which the hoteliers make rooms available for an agreed price. The bed banks then sell this holiday accommodation to their customers applying a mark up.

The case considered whether Med Hotels was acting as a disclosed agent, arranging the supply of holiday accommodation directly between the hotelier and the end customer, or a principal, purchasing and reselling holiday accommodation. Whether Med Hotels was an agent or a principal was significant as it determined whether it was receiving an agent's commission that was typically outside the scope of VAT or, whether it was required to account for VAT under the Tour Operators Margin Scheme. There are some interesting points in the case for hoteliers. If the travel intermediary (like Med Hotels) is an agent, this means that logically, the hotel

should account for VAT on the final selling price paid by the customer, as opposed to the net price agreed.

The Court appeared to recognise that regard to the contractual relationship, rather than the practical relationship between the parties, was the most significant factor in establishing whether an intermediary acted as an agent or a principal, and that based on this reasoning, Med Hotels was in fact an agent. Although some of the practical relationships between Med Hotels and the hoteliers were considered to be unusual, this seemed to have little bearing on the court's decision.

HMRC have recently appealed against the decision and so the debate has not yet concluded. The potential for further litigation makes it imperative that terms and conditions with bed banks and similar intermediaries are clear as to whether the intermediary is acting as an agent or a principal. The case is of great interest to those responsible for managing VAT in travel businesses. The idea that contracts are the most important determinant of whether an intermediary is an agent or principal represents a significant decision for all intermediaries in the travel sector.



Sarah Gallie

Deloitte LLP
T: 020 7007 2316
E: sgallie@deloitte.co.uk



Nisha Nathwani

Deloitte LLP
T: 020 7303 7897
E: nnathwani@deloitte.co.uk



→ FRANK WOLFE

A survey of hotel guests shows what **technology features** are important to them when they travel...

The integration of technology into our everyday routine is seamless — used in communication, design, decision-making, orientation and entertainment. With mobile smart devices in our hands, and media and information up in the cloud, there are limitless possibilities for access. This is a game-changing development for the hospitality industry, opening a new avenue for delivering personal guest services efficiently and with ease in the guestroom.

Before HITEC each year, one of the most frequent questions asked is, “What cool guestroom technology is going to be shown this year?” Because so many companies use HITEC as their product launch location, I can never answer that question definitively. So, I decided to conduct a survey, not of what kinds of guestroom technology would be at HITEC, but of what the industry thought should be in a guestroom. Following the survey results, I am also interjecting into the survey results some ideas

64 percent of survey respondents spend more than 10 nights a year in a guest room

of things that I would include in my ideal guestroom. The survey was conducted online over the dates of June 6 – 20, 2011. It was designed to spur discussion rather than to be a statistically significant instrument. HFTP, nor I, are endorsing any products, services, or systems mentioned. It was distributed to almost 3,000 members of the hospitality community. As of writing this article, about 15 percent of the audience had responded.



The number of nights respondents spent in a hotel guest room per year was:

- 10 nights or less (36 percent)
- 11 - 25 nights (37 percent)
- 25 - 50 nights (17 percent)
- More than 50 nights (10 percent)

Some travellers carry at least four gadgets that require charging

I thought it would be interesting as a benchmark to ask about the number of technology items travellers are carrying with them on an average trip when they stay in a guestroom. For me, the biggest surprise was that 2 percent of the respondents were still carrying pagers. The other results were that:

- 90 percent carry laptops
- 82 percent carry smart phones
- 15 percent carry tablet computers
- 15 percent carry media players
- 3 percent carry game systems

Based on this data, 15 percent of the respondents carry at least four gadgets that require charging. If you are offering double rooms, consider that a family might need as many as 16 electrical outlets, not to mention the standard items that you provide the guests like the television, alarm clocks, lamps, etc.

The human element is still important

The survey revealed some other data that was surprising to me:

- 86 percent of the respondents still prefer to check into a hotel with front desk personnel
- 10 percent prefer a self-service kiosk
- Less than 5 percent preferred either the smart phone or computer method

I would have expected the number of respondents who prefer to check-in with the front desk to be high...but not this high. Based on the responses, the human element at check-in is still overwhelmingly important to a majority of travellers and they are willing to forgo some of the advantages of recent technology advances to get the human touch.

I predict that as smart phone technology becomes more integrated with the traveller, the number of people who prefer this method will increase. However, it seems that the human element as the traveller's preference is going to be around for a very long time.

Do you need to rush to add 3D televisions to your hotel?

Another surprise was the small number of respondents who had a preference for a 3D television in their guestroom — less than 3 percent. HD was the winner at 79 percent and the balance of the respondents had no opinion.

This is what respondents ranked as either "important or very important" to be available on the guest room television:

- Room controls — lights, weather, temperature, etc. (49 percent)
- Connections that allow guests to play own media (48 percent)
- Television shows on demand (29 percent)
- In-room messaging (29 percent)
- First fun movies (27 percent)
- Subscription services — Hulu, Netflix, Pandora, etc. (22 percent)
- Closed captioning in multiple languages (10 percent)

Secure, reliable, fast, wireless internet is a "must-have"

Respondents ranked items that they found "important or very important" which might be found in the guest room:

- A simple telephone for room service, contacting the front desk, etc. (71 percent)
- Adjustable desk and chair with universal charging plugs (66 percent)
- A simple alarm clock (65 percent)
- Bio-metric safe (18 percent)
- Internet-enabled telephone capable of ads, valet, maps, local attractions, etc. (17 percent)
- Voice activated lights, curtains, temperature (12 percent)
- "Find Me" mobile phone issued by the hotel (11 percent)

There was overwhelming, wide spread agreement on the open ended question, "what is the number one piece of technology you'd like to see universally added to the guest room?"

The answer was a secure, reliable, fast, wireless Internet connection. Other answers that showed up numerous times were universal chargers, universal hubs, in-room alarm system that the guest can set and on-site technical support for technologies that are offered in the guest room. One respondent said, "If you can't support it, don't offer it!"

My wish list for guest room technologies

During my travels, I have logged close to five million air miles and most years I spend more than 75 nights in a hotel room. So, here is my personal "wish list" of technologies for the guest room:

- Adequate power outlets — There never seems to be enough of them to power my electronics when I travel alone much less, if I am traveling with my wife
- Universal power outlets — Recently I was at a resort in Shenzhen, China where they offered one single outlet that would accept every adapter that I carried in my travel adapter case
- Fast, reliable and secure Internet. Okay, enough said!
- A shower that can be activated from the sleeping area so that a guest doesn't have to wait for the water to get hot
- A closet with a built in steamer so that you can hang up your clothes when you check in, turn on the closet and all the wrinkles are gone the next morning
- A bio-metric or a smart phone app that opens my room and eliminates the need for the plastic keys
- A personal UV remote control/toothbrush/glass sanitizer so that I can ensure these items are clean
- A bio-metric or a smart phone app that will open my safe. I'd also like a safe that can recharge all of my technology gadgets if I need to lock them up while I am out of the room
- A voice or gesture controlled HD television so that I no longer have to keep up with the remote
- A bed that never wears out, never has to be turned by housekeeping, can be steam cleaned and feels like you are floating on air. This bed does exist and was featured in the early versions of the GUESTROOM 20X display and is called the Ammique Bed

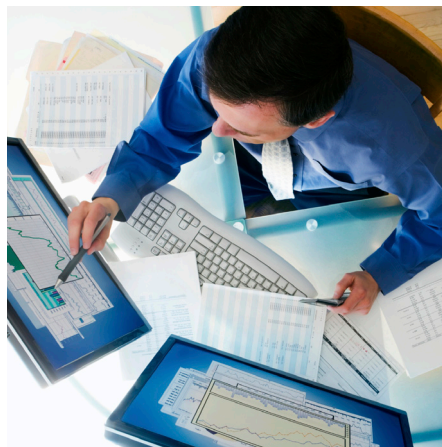
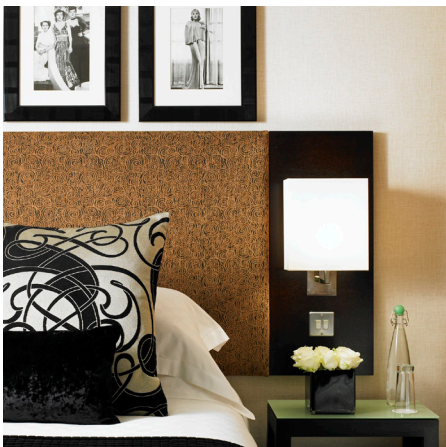


Frank Wolfe

Frank Wolfe, CAE is the CEO of Hospitality Financial and Technology Professionals (HFTP Strategic Partners of HOSPA) and an inductee into the International Hospitality Technology Hall of Fame. Frank will be joining us at HOSPACE 2011 – visit www.hospace.net for details.

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HOSPA Revenue Management Community Debate



As reported last month, in March this year our Revenue Management Community (HRMC) presented a debate on five key revenue management issues which was facilitated by Masters students studying for the MSc International Hotel and Tourism Management at Oxford Brookes University with guidance from lecturer Kate Varini. We are very pleased to present an excerpt from a second of the resulting papers written by the students following the event. The paper we feature this month has been written by student Natalia Soldatenkova who has researched the topic: Total Revenue Management in hotels – Revenue from ancillary products.

The following is an excerpt from the paper with the full paper complete with references available to download from the forthcoming HOSPA website.

Revenue management techniques have been extensively developed and used in the airline industry since the 1980s. The same techniques later have been applied to other travel and hospitality companies with similar types of reservation systems (Mainzer, 2004). Currently, the hotel industry widely uses these methods for pricing, managing room inventory more effectively, achieving higher RevPAR and for revenue maximisation.

Hotels understand and implement methods of forecasting visitors' demand at some level of detail and recommend availability that would maximise revenue based on that demand. At the same time, numerous companies currently realise that there is a strong need to adopt a more holistic approach to revenue management across the organisation. Hotels need to apply the same methods and techniques of revenue management employed in the company to each individual revenue source, such as restaurants, spas, event venues, casinos, etc.

In addition, it is necessary to understand the behaviour and buying models of each guest. Instead of a room-centric approach, hotels intend to develop more personalised products, services and marketing, being able to market to individuals. Total revenue management needs to use a dynamic approach in the field that includes processes, people, pricing and inventory strategies.

Hotels practice flexibility of prices, services and products. Companies widely propose ancillary products for their guests, which could vary by cost, clients' attitude, and complexity. Ancillary performance is based on the understanding of extra goods and services which clients value, and their willingness to pay for this additional value.

At the beginning of March, current challenges in hotel revenue management were discussed in a hotel in London. Among various issues, practitioners from different hospitality companies focused their attention on the following questions: What does "total revenue management" really look like in a hotel? What are the best ways to maximise return on the ancillary products? The results of the debates during the workshop and some opinions presented in the contemporary literature are covered in the present report. This paper also discusses current opportunities available in revenue management.

Summary of the problems discussed during the workshop

Hotel revenue management presents a set of techniques for taking a rational decision in order to maximise revenue based on knowledge about the products proposed by a particular hotel while managing risk under present and predicted market conditions (Jain

and Bowman, 2005). Specific systems analyse the historical information, the current booking level and the forecasts for the appropriate

Total Revenue Management in hotels, Revenue from ancillary products.

market segment to optimise occupancy of the hotel and to maximise revenue. Practitioners commonly use the following definition: Revenue management is the business practice of selling the right product to the right customer for the right price at the right time. The concept of “right” in this view means not only achieving the maximum revenue for the vendor, but also giving the maximum value to the buyers.

Hotels are in an ideal class for revenue generation since they sell space implicitly for a specific length of time. This feature allows them to package different space and time combinations that relate to various market segments and price them accordingly (Kimes and Renaghan, 2011). In the case, that demand exceeds capacity, it is recommended to sell the limited capacity only to the most profitable mix of customers. In the opposite situation, when capacity exceeds demand, hotels stimulate demand for available rooms that would otherwise remain unsold by introducing lower, discounted rates. However, providing such discounts, hotels need to prevent guests who would pay higher prices from taking advantage of lower rates.

Another commonly used practice is the length of stay control. In some cases, hotels prefer to reject room reservations for only busy days, but accept requests for both busy and slow days at lower rates. As a result hotels maximise revenue for the entire period rather than only for high demand days. Moreover, it allows for evenly planning company work. So currently, it is a common practice to charge different prices for various visitors for the same type of room at the same hotel, depending on the days of the week, lengths of stay, advance reservation days, etc. Since a large number of hotels offer multiple rates for basically the same type of room, it is necessary to understand factors influencing customers' perceptions of fairness. Research shows that the increase of guests' familiarity with various pricing practices can help to ensure that these practices are perceived as fair which, in turn, will have a significant effect on customer return intentions (Taylor and Kimes, 2010). Milla and Shoemaker (2008) coined a wonderful phrase of Tim Coleman of MGM Brands: “You don't need a price for each customer. What's important is that customers feel that the price is unique to them” (p. 112).

In general, revenue management constantly changes. In the past several years during the financial crisis, economic downturn and decreased client confidence, the hotel industry experienced reduced activity. During such times, it became very important to

develop this area of the business through better use of pricing, bundling/unbundling, customer loyalty schemes and overall guest relationship management. So, numerous conferences were conducted to discuss new techniques and challenges in the field of revenue management. During the March workshop in London, revenue managers mostly considered the improvements needed to be done in this area.

Nowadays, the concept of revenue management is not new for hotels, which have always striven to choose the best part of the business. The current difference is the intent to make this profit maximization approach more advanced and move beyond a rooms-centric revenue management effort (Buckhiester, 2008). So, total revenue management is more about attracting the most profitable guest and optimising profits from each individual revenue stream (rooms, food and beverage, parking, spa, golf, retail, entertainment, etc). During the mentioned meeting, the problems with technology were widely discussed. Integration between different computer systems in hotels has been a big IT problem. For example, during a simple check-out process the property management system (PMS) deals with guest check-out and the accounting system handles payments from clients. The revenue management system adjusts prices according to current rates, inventory and customer demand. Separating the recording of these procedures decreases operation efficiency and increases corresponding costs (Avinal, 2004). Moreover, industry experts believe, that the integration of customer relationship management (CRM) and revenue management is highly important for future revenue management. It is necessary to find a mechanism to integrate components of different systems and to make them comparable. Moreover, a newly established baseline should be dynamic and constantly updated.

During the discussion at the workshop revenue managers also raised the point about modern trends in the hospitality industry regarding wider utilisation of a hotel's own distribution channels. There are considerable benefits from bringing clients directly to the hotel's website, like cost saving, because different wholesale channels are quite expensive. Besides, it gives more opportunities to build customer loyalty to the chain rather than to the third parties that they booked through, and to use e-mail

and social media marketing, which is very effective. In addition, hotel chains currently, intend to shift telephone bookings to internet reservations, as it brings additional cost savings (Wise, 2009). Some companies offer better prices or small benefits for clients using their websites. However, the telephone is still one of the most popular ways of making a reservation for hotels.

Revenue management plays a key role in coordinating the selling activities of different departments and needs to be an on-going process. During the workshop, revenue managers especially underlined, that all the departments in a hotel should work in close connection and clearly understand the purpose of such common efforts. In particular, this concerns marketing and revenue management divisions. It was even proposed, that marketing needs to be accountable to the revenue management department. Overall, it is necessary to develop a comprehensive system of accountability between departments. Moreover, the entire hotel team should know the correlation between revenues, margins and profits in order to maximise these flows. One very good example was given where restaurant staff tried to sell more expensive goods such as bottled water of different brands instead of water produced in a hotel. In this case, employees believed that such sale brought more value. The hotel received more revenue indeed, but it lost some profit. Therefore, staff from different levels need to have appropriate training in explaining the ways of profit maximisation at their level. In order to improve the situation of various departments working together, some internal policies and procedures should be designed. Moreover, revenue management should be planned on a strategic level and then implemented effectively.

Ancillary products or services are those which are offered by the hotel and are not part of the core product, meaning the room rate; for example food and beverage sales, parking, minibars, SPA, shops, entertainment, additional services like ski or surfing schools. Hence, they can also represent products offered by third parties (such as insurance, vouchers for museums, etc). The combination of hotels' and partners' products and services gives rise to more choice for customers and the opportunity to take advantage of the latest events and innovations. During the workshop, it was discussed, that some hotels also tried to sell amenities (slippers, toiletries), which was not successful. At that same time, Scandic hotels have small shops with various goods from razors and toothbrushes to snacks and drinks (Scandic, 2011). Such divisions show good results from their trade.



HRMC DEBATE

Additionally, hoteliers have a wide variety of means to differentiate their products, such as suite vs standard, rooms with a view (sea, mountains), breakfast included, parking, spa, golf, etc. This practice is quite common online, where hoteliers and retailers have highly refined approaches to ensure clients select the product that best meets their individual desires, not simply the cheapest commodity available (Vinod and Moore, 2009). Hotels could offer a higher category room on arrival at a special cost, which is lower than that would have been seen during the booking stage. In general, ancillary performance is closely connected with understanding which additional services guests value and their willingness to pay for this extra value.

Some hotels already offer a variety of options on their site and charge accordingly for each particular package for each individual client. However, this practice is still more common in airline, railway and car rental businesses. Numerous hotels need to consider additional items for online selling and how to attract customers' attention to extra services and products. Some psychological factors influence clients' decisions of such advance purchases. People more readily spend money through the internet, because it is faster, simpler and only requires one to choose preferred options (tick off items) and pay by card (cashless transfer). Moreover, doing advance bookings and payments, clients tend to forget about these expenditures before their arrivals to hotels. As a result, it can increase a level of satisfaction in general and guests can spend more during their stay. At the same time, a website should not be too complex and propose too many options. It needs to contain a relevant set of available items which can be offered. Besides, depending on the product, these can be sold to customers during the inspiration, planning, researching, booking, arrival, occupancy and departure and post departure stages. For instance, there is a period between booking and check-in during which people plan their travel, and it is an opportunity hotels could use for up-selling. Clients could be provided with the information about potential activities by mail (spa, tours, etc).

Hotels need to focus not only on rooms, but to analyse different streams. Pricing for restaurants, minibars and in-room services should be affordable. Just a few visitors will pay three times more for drinks from a minibar, especially in a big city with numerous 24/7 shops around. So the price should be considered carefully taking into account the hotel's location, level and clients' needs. This can be illustrated by an airline example; in 2008 Ryanair had high and increasing rates for most of its ancillary services, such as baggage fees, that led to numerous complaints from

customers (Eye for travel, 2009). Moreover, hotels can develop special offers for guests to create their own minibar.

At the same time, hotels usually provide a large range of services for free, and currently guest expectations of necessary services are quite high. The opposite situation can be noticed in the airline industry where companies propose low prices and then charge for extra items. So, several important questions exist: whether to bundle or unbundle hotel products, the level to which the particular product can be unbundled, willingness-to-pay for additional comfort or each extra service.

Bundling joins a separate set of commodity attributes with particular individual products. Each of these products presents different values and price, with clear product definition, proposing minimal privileges at the lowest rates and high quality flexible products at higher prices. For instance, airlines marketing departments usually choose the ancillary services they want to promote to different clients segments based on market research (Vinod and Moore, 2009). The next aim, in order to develop a customer-oriented product, is to set rates consistent with value of the particular hotel, which in turn identifies the clients' willingness-to-pay. Several different methods are suitable for determining the price that the consumer subjectively presumes to be appropriate: internal analysis (historic trends and actions), expert judgment (internal volume estimations), live market test (decisions from real client purchases), consumer research (consumer trade-offs and choices among a number of alternative product profiles). Moreover, hotels now widely use dynamic prices, which change through the year. So, supplement items from unbundled products also need to be revised regularly (Bandillaet al, 2006). During the workshop one person from the "Pricing" table expressed an idea, that in changing products and prices, hotels should pay additional attention to the level of their hotel, because "three stars guest" cannot bring considerable value to a five star hotel.

During the crisis and the beginning of recession, an additional issue emerged in the hospitality industry regarding the bundling and unbundling of products. The following situation required consideration: how one hotel can compete with the neighbour hotel of the same level, which has lower prices for its bundled products than the sum total of the unbundled products of the first one. Currently, more hotel managers understand that price slashing has a negative impact on performance.

Goods and services bundled in an appropriate manner bring gain to both buyer and seller (Bandillaet al, 2006). Consumers receive

more services, vendors sell more services, and both are likely to decrease transaction cost. However, the reality is more complicated. Sometimes clients would prefer to buy lower value products and hotels do not offer such flexibility. For example, on Greek islands most hotels provide guests only with all-inclusive conditions, and it is quite difficult to find a hotel offering only a room with breakfast. So bundles should be personalised and developed considering niche segments. The issue can only be resolved by each hotel individually. While two, three star hotels can offer only rooms, guest of five stars hotels expect to receive high quality and a wide range of outstanding services. Visitors of a hotel in the centre of a big city have various opportunities regarding entertainment and food, clients of a countryside hotel would be happy to pay additional fees for restaurants, bars, spas, cinemas, etc. If customers are used to having particular services in a hotel (like free Wi-Fi or modern gyms), exclusion of these items could damage a brand's image.

Recommended ways of maximising return on ancillary products:

- Hotels should exploit untapped opportunities achieving measurable activation through mobile applications (apps), with hoteliers being sponsors to popular applications. Apps can become a popular route for booking holidays and ancillary travel products or pre-booking experiences through guides or virtual tours provided. Discounts can be given to those who will book through the application in order to encourage customer loyalty (Lee, 2010).
- E-mail marketing remains one of the cheapest and most dynamic ways of retaining customers and strengthening customers' brand loyalty. This can also constitute an important way of boosting ancillary products' sales.
- Lastly, hotels can promote a number of ancillary products through the section of online booking on their websites.

Underinsurance an increasing problem - 8 simple ways to spot an underinsured building

An exclusive solution to HOSPA members

“Experts are increasingly recommending property owners undertake valuations every 3-5 years especially in the uncertain economic climate.”

1 The building is listed

Buildings are listed because they're of special architectural or historic interest. This means, if there's a fire or other loss, special permission from the relevant planning authorities and agencies will be needed before rebuilding or repairs can take place. In other words, there'll be a big fuss. Fuss tends to cost more.

2 The building is made of stone

So what's so special about stone? Well, it costs more to build with stone. It costs more to repair and maintain stonework. And the stone may well be unique, having originally been sourced from a local quarry perhaps. Again, more hassle tends to mean more cost.

3 The building was constructed before 1920

Things aren't built like they used to be. It's true. Buildings from the past were built to last. And sorry for churning out another cliché, but you only get what you pay for. Better quality means higher costs, so older buildings are more likely to be under-insured.

4 The building has never had a proper valuation

If the sums insured are based on guess work or they've been passed on by previous owners and you don't know the source of the original valuation, then the chances are they're wrong. Get them checked. Underinsurance in the event of a claim can result in insurers applying the average condition meaning the amount payable is proportionally reduced by the level of underinsurance.

5 The building is green

Not the colour. We mean eco-friendly! If the construction method isn't standard, you can't expect the sums insured to be.

6 The building has been recently altered

Extended, altered, refurbished. What about the sums insured? Did they get altered at the same time?

7 The building is in a funny location

Not funny ha ha. We mean there's something a bit unusual about where it is. Like in a city centre adjacent to a railway line, or on a small island that's only accessible via a weight restricted bridge. Imagine how these factors could complicate a rebuild. Complication equals cost. Cost means higher sums insured.

8 It's more than 10 years since the building had a valuation

Benjamin Franklin said two things are certain in life, death and taxes. Well here's something profound he didn't say that's also pretty certain - In time things change. Valuations need to be updated, or the chances are they'll be wrong.

Making sure our clients are suitably covered is a core part of a brokers duty of care. Aston Scott Group plc can offer assistance in setting buildings sums insured and providing valuations for insurance purposes. Should you have any concerns regarding your current covers or need any advice in relation to the above, please do not hesitate to contact us.



AstonScottGroupplc

Heidi Carslaw ACII Aston Scott Ltd | Tel: 0845 302 8257 | Email: heidicarslaw@astonscott.com
Kathryn Dix ACII Aston Scott Ltd | Tel: 0845 302 8257 | Email: kathryndix@astonscott.com

→ MIKE GADBURY

EzRMS Pays for itself within two months and empowers the management team at the strand palace hotel

In the heart of London's West End, the Strand Palace Hotel offers a contemporary yet comfortable setting popular with business travellers who appreciate the quality of the rooms and value for money; and with leisure guests, attracted by the hotel's central location. The recently refurbished hotel offers affordable guestrooms, excellent restaurants and flexible conference facilities that all come together for a seamless guest experience.

The Revenue Management Meeting

Previously at the Strand Palace, the Revenue Meeting was something of a weekly chore that everyone suffered – but not anymore. Because of the way information can now be produced, both for the future and the past, these are now one of the most interesting and well attended meetings in the hotel, according to David MacRae, General Manager of the property, which installed the EzRMS™ SaaS Revenue Management System in late 2009.



First up is a review of the week just finished, then next week's business, how well their website is producing compared to last year and last month, and how the next quarter's looking. Every morning the same four reports are prepared and put into Excel ready for the weekly Revenue Management meetings. These include:

- **Forecast Analysis** - Shows day-by-day by arrivals/departures, helping Front Office, F&B and Housekeeping.
- **On the Books** - By month and for total year, by day, for every month.
- **'SuperBob'** - Shows annual figures, by week, for Pickup, On the Books, Reservation Source and Market Segmentation; figures that are extracted directly from EzRMS™ in 10-15 minutes - something the hotel previously had to spend 45 minutes doing manually.
- **Recommendations** - These are now reviewed daily by the RM team, and this is no longer a time-consuming task. In just 3 minutes they can push out 365 days.

"The graphical format of reports means they are easy for staff to understand, which is great, as we scrutinise figures every morning," David comments. Each morning at these meetings, all attending see the business on the books – it's right there in front of them. "As this information is displayed graphically, it is clear to understand and relate to," he adds. "Housekeeping sees what is coming up in the next few days as does catering, so judgments can be made on staffing levels, breakfast cover, etc., and no one can say they didn't know what was going on. Interestingly, if figures are not put up, there is a general feeling of uncertainty and discomfort; even worse than if the following week's figures don't look that good."

"When you imagine having lead times for various room types, market segments and booking patterns for your website available all the time – the power of the system starts to become clear," continues David.

"Someone might ask a question like: What was the average lead time for leisure guests booking single rooms through Expedia for the last ten Sundays? There might be muttering sounds in the room... why does he want to know that?... but meanwhile someone taps out these details on the system and before we know why the question was asked, we have the answer."

Training & Implementation

"The training you get when you buy EzRMS™ is, in my opinion, incredible; probably the best installation of any IT system I have ever seen, with first-class trainers. It was clear, concise and very user-friendly," enthuses David, who says that after training, the hotel should then invest in their own people to understand how to use the system. "And the more, the merrier," he says. "Everyone will have different needs and requirements from EzRMS™, not just the revenue managers and reservations staff but the accountants, front desk and housekeeping. The system gives you much more information than your PMS ever will – in a user-friendly format."

Automated Revenue Management Empowers the People

David says the team is now much more knowledgeable about the business in general. To give an example, he tells how by using EzRMS™, the team was able to ascertain that some of their larger rooms, known as Club Kings, were returning higher rates than other King rooms, so they took the decision to add extra amenities to those rooms and charge a £30 premium. "These 40 rooms continue to carry this premium and sell equally quickly as the regular King room. This gives an additional £1,200 of revenue per night, and we are now doing the same with some of our single rooms, adding a £20 supplement. On this alone we will increase the whole hotel's ARR by £2.00."

Another example is when they examined EzRMS™ nationality and booking patterns on the Strand Palace website, and found that

Spanish-speaking countries were yielding the largest proportion of business. Consequently, a Spanish section was added to the website and now returns up to £10,000 of business every month. This measure has also moved business from more expensive channels onto the hotel's website, which has a minimal cost to them.

What the Investment has done for the Hotel

David is quick to stress that the system has paid for itself over and over again. "The cost of the system has been repaid on the reporting alone," he says. "In figure terms, the investment may be hard to quantify as we started refurbishing our bedrooms in 2007, at a rate of 200 rooms per year. Between 2007 - 2009, rates grew by around 10%, with similar occupancy – 84%. Then from 2010 to now, after the introduction of EzRMS™, rates are growing at 14%, with still the same occupancy - and that's in a recession."

How EZRMS™ Helps the Business

The Strand Palace Hotel is not an easy property to manage and yield, with nearly 800 rooms overall. Firstly, EzRMS™ helps by producing forecasts, based on many different and varying criteria. "Whatever you wish to forecast, the system can deliver accurate, clear and graphical reports that are transferrable to Excel with one simple click," says David.

However he points out that it's not quite as basic as getting the forecast out of the system, putting it in the weekly/monthly report and sending it to Head Office.

"I'm afraid not," he says. "You have to understand what the forecast is saying and what you can do to improve on its accuracy."

"EzRMS™ provides us with accurate forecasts for variable periods of time, broken down by market segment, origin and much more," David explains. "The forecasts give the tools for our RM team and other departments to analyse our business going forward, whilst at the same time allowing us to review business from previous periods in great detail. This analysis allows us to make major decisions on how we operate and run our business going forward. Information required from our systems is now on hand and only minutes away, meaning that decisions can be made on the day."

David says that the hotel's financial investment in EzRMS™ was recouped within two months - "not many investments repay that quickly." However he feels the investment in staff, in terms of understanding the business even more, is ongoing.

Why EzRMS™?

"In truth, EzRMS™ has made a huge difference to our business," David comments. The hotel researched several RMS, he says, but what was most important to them was a system that could handle forecasting by room type and market segment. They also needed a fully functional interface to their V1 PMS.

"Before, applying restrictions via V1 was a complex and time-consuming task," notes David. "We used to spend a lot of time on data mining the PMS and there was no opportunity for us to question our business. We could only make changes with a VPN and remote desktop connection, but now we can use any connection, as the solution is entirely web based."

To find out more, please call 020 7495 0773, email Sales@EasyRMS.com or go to www.EasyRMS.com

Members' News

Celebrate Success! Let HOSPA know if you win an award, move to a new post, retire or do something to help the industry at info@hospa.org

1,000 members for HOSPA!

We were delighted to announce at the launch event for HOSPA that the membership has now reached over 1,000 members for the first time in our 42 year history!

What does HOSPA offer its members?

In this fast changing business world and its constant advances in technology, it is more important than ever that professionals keep abreast of the latest issues and developments in hospitality finance, revenue management and IT.

Our network and its opportunities

- Attend regular member meetings and network in London, regionally and occasionally overseas and enjoy social opportunities such as invitation-only dinners with industry leaders or events such as the popular pub quiz
- Go to community specific meetings – for finance, revenue management and IT to address key issues and meet fellow professionals
- Be part of a recognised, international industry-wide network
- At HOSPACE, HOSPA's prestigious international conference and exhibition, be amongst the first to hear the latest research and attend specialist workshops led by respected consultants
- Recognised professional status
- Membership of HOSPA offers designatory letters after your name for Associates and Fellows, reflecting your status within the industry
- Resources exclusively for members
- The Overview, HOSPA's monthly magazine dedicated to delivering the latest news affecting those working in finance, revenue management and IT or related sectors e.g. hotel valuation. With articles provided by leading industry experts, the magazine provides a wealth of information to benefit all members
- The HOSPA e-newsletter keeps members updated throughout the month on HOSPA's activities and the opportunities to network, meet sponsors and patrons to find out how their wealth of experience can help you
- An exclusive members' area of the website packed with expertise, searchable UK and international articles from EBSCO and other



partners and opportunities for interaction. Difficult question? Look here first!

- Join exclusive online HOSPA communities' discussion forums – such as LinkedIn and Facebook – and access colleagues' knowledge and experience

Developing members' careers

- The HOSPA Careers Centre brings together employers and job-seekers within hospitality finance, revenue management and IT to produce a facility to update Job Opportunities. It also provides careers advice through specialist recruitment agencies dedicated to you
- Keep up-to-date with best practice and the latest industry standards
- HOSPA provides a wide range of CPD opportunities through its members' meetings, debates, professional development workshops and the Association's Conference and Exhibition, HOSPACE. The Professional Education Programme has short courses designed to focus on specific areas of education in Hospitality Finance, Revenue Management and IT
- The HOSPA Education and Training Programme provides UK-based hospitality-specific accredited courses in Finance and Accounting, Revenue Management and Information Management

For more information and to learn how you can get involved, contact info@hospa.org



Stephanie Timsit explains what membership means to her

Choosing to be a member at HOSPA has been a decisive element in my career. Apart from allowing me to meet with valuable professionals in the industry from all around UK and abroad, HOSPA is a very useful forum for the hospitality industry where tangible ideas can be debated, latest developments shared and innovations explained. It has also allowed me and my team to grow in knowledge through its professional training program, honing our analytical skills and giving us a renewed momentum to succeed in the industry. Its strength resides in the fact that all members are active in the hospitality scene and willing to exchange information in an ever competitive environment. My advice: **buy your membership card!**

Stephanie Timsit, Director of Finance, Jumeirah Etihad Towers, United Arab Emirates.

On Monday 19th September BAHA officially changed its name to HOSPA – the ‘Hospitality Professionals Association’ for Hospitality Finance, Revenue Management and IT.

To mark the occasion, an official launch was held in London at the Radisson Edwardian Mayfair, Stratton Street where HOSPA Chairman Paul Dukes introduced the newly elected President of HOSPA – award-winning hotelier Robert Cook, Chief Executive of Malmaison and Hotel du Vin Hotels who addressed 150 HOSPA members on the future of the UK hotel industry.

Commenting on his election as HOSPA President, Robert Cook said:

“I am delighted to have been elected as the very first President of HOSPA following the Association’s name change and evolution from BAHA. I am immensely proud and honoured to have been chosen to lead this prestigious and influential Association at such a momentous time in its history, and look forward to nurturing its aims and objectives. The future success of British hospitality lies in the growth of real talent – people are the very lifeblood of our hotels; and HOSPA’s highly regarded Education and Training Programmes, together with its events and workshops, play a vitally important role in helping hospitality finance, revenue management and IT professionals become even more effective in achieving success for their businesses.”



Interchange & Consort Hotels appoints Richard Lewis as CEO

Interchange and Consort Hotels, the parent brand of Best Western Great Britain, Beacon Purchasing and Innfutures and Patron of HOSPA has announced the appointment of Richard Lewis as CEO.



Lewis has over 35 years experience in the hospitality and travel industries including over thirteen years in international markets. Previous senior roles include managing director Preferred Hotel Group, EMEA; COO WorldRes;

VP Hotel Distribution, Turner Broadcasting CNN International; and international marketing operations director, Forte and Le Meridien Hotels.

After completing a four year management training course with the Savoy Hotel Group, London, Lewis took a number of operational roles in the U.K., Libya, Egypt and Malta and to further his cross-industry knowledge, Lewis developed his career within advertising and marketing agencies in the U.A.E and London.

Lewis ‘rejoined’ the hotel industry in the early 90’s and his background in executive positions within operations, sales, marketing, e-commerce, distribution and brand development will be of significant benefit to Best Western, as it drives forward with the successful ‘Hotels with personality’ strategy and to Beacon, as the purchasing solutions company enhances its online capability.

Commenting on his appointment Lewis said:

“I am delighted to be joining Interchange & Consort Hotels at this time and look forward to building on the platform established and progress made over the past five years.”

“The team in York and the board of directors are focused on pushing forward with our development plans for our businesses. The achievements of Best Western over the past two years have been particularly encouraging with hotel revenue increasing by 20% in the first half of this year alone.”

“We are determined to invest in our people and our businesses for the benefit of our hotels, their guests and all our customers and business partners” added Lewis.

Lewis will be based at the company’s Central Office in York and report directly to the board of directors.

Update from the British Hospitality Association

At this stage, ahead of the further consultation in the autumn, we wish to draw your attention to one specific point, almost exclusively affecting our industry, and where the current position is set out in HMRC document E24(2009) (Tips, gratuities, service charges and trons). Where voluntary service charges are paid by customers and those sums are paid on to employees, they are exempt from National Insurance Contributions if the employer does not decide who should receive what amount, this decision instead being made usually through the involvement of a troncmaster.

Income Tax is, of course, still due on such sums. If Income Tax and Employee’s National Insurance Contributions were to be merged, this would result in employees such as waiters paying more in combined Income Tax and NI than they do now. We should be grateful if this point could be taken into account in further work on the merger proposal.



Thursday 15th
December 2011
at the Grosvenor
House Hotel, London

Get in the Christmas spirit with HOSPA and enjoy the Association’s Annual Awards Ceremony, celebrating hospitality’s best practitioners in finance, revenue management and IT, as well as the most successful Students of the Year from the HOSPA Education and Training Programmes.

Booking form available soon,
Contact Wayne at:
wayne.gosden@hospa.org for more details.

Introducing the HOSPA Communities



**Information
Technology**



Bryan Steele

HOSPA IT Management Community

The Hospitality Information Technology Community was formed to promote and develop both the practical applications and accredited educational programmes that support individuals engaged in the discipline of Information Management within the hospitality industry. The community seeks to become an industry voice for Information Technology Management and to raise the profile, understanding and importance of Information Management by creating a community of knowledge and experience and a forum for debate, sharing, learning and progression.

Bryan Steele

Chairman | bryan.steele@hospa.org

Mark Jelley

Deputy Chairman | mark.jelley@hospa.org



**Revenue
Management**



Warren Mandelbaum

HOSPA Revenue Management Community (HRMC)

The Hospitality Revenue Management Community was formed to promote and develop both the practical applications and accredited educational programmes that support individuals engaged in the discipline of Revenue Management within the hospitality industry. The HRMC seeks to become an industry voice for Revenue Management and to raise the profile, understanding and importance of Revenue Management by creating a community of knowledge and experience and a forum for debate, sharing, learning and progression.

HOSPA attracts new revenue management members every week and the growing community aims to provide the forum for debate and innovation in the field of hospitality revenue management.

Warren Mandelbaum

Chairman | warren.mandelbaum@hospa.org



**Finance &
Accounting**



Diana Mountain

HOSPA Finance and Accounting Community

The HOSPA Finance Community exists to promote and develop the highest standards in hospitality accounting. HOSPA is recognised as the United Kingdom's authoritative voice in the hospitality industry on financial management, technical accounting issues, taxation and hotel valuation.

With over 500 finance members in HOSPA this community provides the forum for debate and innovation in the field of hospitality financial management.

Our new website at www.hospa.org hosts a range of resources in a specific portal for each community group.

Diana Mountain

Chairman | diana.mountain@hospa.org

HOSPA Education & Training Programme

The HOSPA Education Programme has been devised to provide an entry route to Associate membership of HOSPA for members working in one or more of the following disciplines - finance and accounting, revenue management and information technology management.

For more details contact jane.scott@hospa.org

Members' Events

Forthcoming events

Oct 12 2011	HOSPA Members Regional Meeting Manchester - Malmaison Hotel
Oct 13 2011	HOSPA Members Regional Meeting Birmingham - The Belfry Hotel
Oct 17 2011	HOSPA Members Meeting London - details to be confirmed
Nov 24 2011	HOSPACE Conference and IT Exhibition - at the Sofitel T5 Heathrow
Nov 25 2011	EHTEC@HOSPACE - at the Sofitel T5 Heathrow
Dec 15 2011	Annual Awards Lunch - Grosvenor House Hotel, London
Jan 18 2012	HOSPA Members Meeting - London
Feb 22 2012	HOSPA Members Meeting - London
Mar 22 2012	HOSPA Members Meeting - London
Apr 26 2012	HOSPA Patrons Meeting
May 24 2012	HOSPA Taxation Forum - London
Jun 21 2012	Hospitality Revenue Managers Community Meeting - London
Jul 12 2012	HOSPA Members Quiz Night



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 CMS Hospitality
 CTB Accounts
 EasyRMS
 FM Recruitment
 Guestline
 HFTP
 Kerry Robert Associates
 Keystep
 MICROS-Fidelio
 Orthus
 PAR Springer-Miller
 PKF
 PricewaterhouseCoopers
 Rate Tiger
 Rieo Communications
 Softbrands, an Infor Affiliate
 STR Global
 Symon - Digital Signage
 The Ritz Hotel, London
 TopSource
 Touchstone NAV
 TRI Hospitality Consulting
 Venners
 Xn Hotel Systems Ltd
 Zen Consulting

HOSPA Partners

HFTP (Hospitality Finance and Technology Professionals)
 Hotel Marketing Association
 Hotel Technology Next Generation
 Smart Report

HOSPA Education Partners

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 Cornell University
 HFTP

HOSPA welcomes the following industry leading companies as Founding Sponsors of our relaunch as HOSPA as an Association for Finance, Revenue Management and IT Professionals. These companies have enabled the development of the HOSPA brand, new members website and other facilities.

Atos Origin, Beacon Purchasing, Global Blue, BT Openzone, Daisy, Amex, Fourth Hospitality, Watson Farley Williams.

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Watson, Farley & Williams



Profit per room drops as London hotels hit August lull

Hotels in London suffered their first year-on-year decline in profit per room since April 2010 as the city endured its customary headline performance blip during the month of August, according to the latest Hot-Stats survey of approximately 550 full-service hotels across the UK by TRI Hospitality Consulting.

At just £44.41, profit per room at London hotels in August was approximately 50% below the year-to-date average for 2011, and less than half of the achieved profitability level for July.

The decline in profitability occurred in spite of a 0.4% year-on-year increase in Total Revenue per Available Room (TrevPAR) to £115.10, which was driven by growth in rooms revenue (+1.1%) and food and beverage revenue (+1%) per available room.

And although volume remained broadly stable against the same period in 2010, with a decline of just 0.4 percentage points to 82.2%, it is clear that London hoteliers have had to yield their roomstock more effectively this month, exemplified by a 5.2% year-on-year decline in the achieved rate in the leisure sector to £106.86.

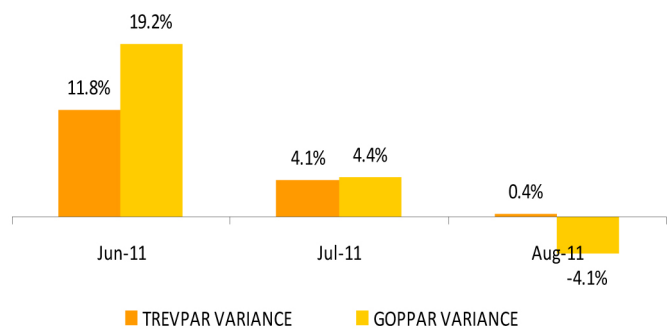
"Whilst headline performance levels at London hotels typically suffer a seasonal decline during August, the performance potential this month has likely been further impacted by the timing

of Ramadan, as reported in our July press release, as well as the riots, which will undoubtedly have had a negative influence on the number of leisure visitors to the city," said **David Bailey, deputy managing director of TRI Hospitality Consulting.**

Profit per room drops as London hotels hit August lull. As month-on-month room occupancy levels plummeted by more than ten percentage points, payroll levels in the capital shot up to 29.8% of total revenue, a figure which is 5.2 percentage points above the year-to-date average for 2011 of 24.6%.

"London hoteliers have clearly suffered a slight setback as the cost base has remained high from a record breaking July. In addition, the level of anticipated top line growth in August was impacted by the riots and it's difficult to respond to such events with rapid costcutting measures," said **Bailey.**

LONDON LAST 3 MONTHS YEAR-ON-YEAR CHANGE



HotStats London Main KPIs

LONDON	Aug '11			Aug '10			Var b/w	Trend
	Aug '11	Aug '10	Var b/w	YTD '11	YTD '10	Var b/w		
Occ %	82.2	82.6	-0.4	81.1	81.2	0.0	▼	
ARR	107.15	105.49	1.6%	130.36	119.80	8.8%	▲	
RevPAR	88.12	87.14	1.1%	105.78	97.26	8.8%	▲	
TrevPAR	115.10	114.70	0.4%	142.51	134.25	6.2%	▲	
Payroll %	29.8	28.5	-1.3	24.6	25.0	0.4	▲	
GOP PAR	44.41	46.32	-4.1%	67.02	62.00	8.1%	▲	

ARR - Average Room Rate, RevPAR - Revenue per available room, TrevPAR - Total Revenue per available room, - GOP PAR Gross opportunity profit per available room.

Edinburgh exceeds London as Provincial hoteliers record a profit increase.

Hotels in Edinburgh recorded an 8.9% year-on-year increase in profit per room in August to significantly exceed the levels achieved in London and contribute to a 0.5% overall increase for Provincial hoteliers, according to the latest HotStats survey of approximately 550 full-service hotels across the UK.

In Edinburgh monthly headline performance figures exceeded those achieved in London, led by a 1.9 percentage point increase in room occupancy to 90.4%. August is typically a strong period of operation for Edinburgh hoteliers as festival season drives demand for accommodation.

In addition to the 65th Fringe Festival, evidence of a bumper summer in the Scottish capital was further supported by the highest number of monthly visitors ever recorded at Edinburgh Castle and a three per cent year-on-year increase in the number of passengers handled by Edinburgh Airport.

High levels of demand allowed Edinburgh hoteliers to effectively yield their roomstock and a year-on-year RevPAR increase of 8.7% to £104.25, boosted by a 6.4% increase in achieved average room rate to £115.30, left RevPAR at Edinburgh hotels approximately 18% ahead of London.

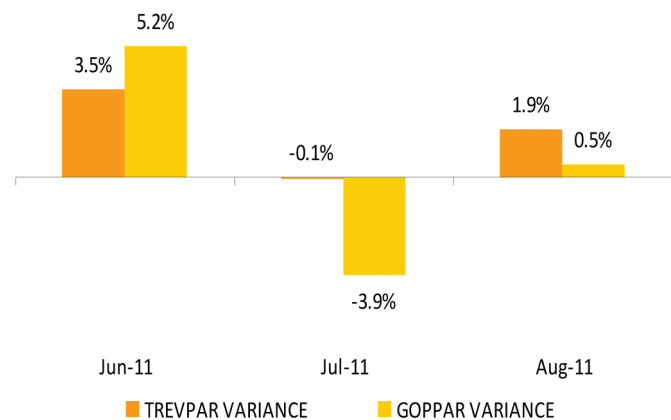
The increase in total revenue levels in August has been almost entirely driven by growth in rooms revenue, evidenced by the TrevPAR level recorded in the city, which only managed an increase of 4.9% to £145.71, as the city's hoteliers suffered a decline in food and beverage revenue (-2.8%) per available room.

Edinburgh exceeds London as Provincial hoteliers record a profit increase despite the rioting at the beginning of the month hoteliers were able to boost profitability levels in August in both Manchester (+29.1%) and Leicester (+21.3%).

However, the majority of cities which suffered unrest were impacted by significant declines in profit per room, including Bristol (-29.2%), Nottingham (-36.7%), Liverpool (-13.8%) and Birmingham (-23.2%).

For Provincial hoteliers overall, August is only the second time in 2011 that an increase in profit per room has been recorded and it is clear that the year-on-year increase in RevPAR needs to be of sufficient weight not to be cancelled out by declining ancillary spends and rising costs, as evidenced this month.

PROVINCES LAST 3 MONTHS YEAR-ON-YEAR CHANGE



HotStats Provinces Main KPIs

PROVINCES	Aug '11				YTD '11			
	Aug '11	Aug '10	Var b/w	▲	YTD '11	YTD '10	Var b/w	▲
Occ %	73.7	72.2	1.6	▲	69.6	68.7	0.8	▲
ARR	66.77	65.40	2.1%	▲	67.86	67.16	1.0%	▲
RevPAR	49.24	47.22	4.3%	▲	47.20	46.15	2.3%	▲
TrevPAR	88.18	86.56	1.9%	▲	88.14	87.48	0.7%	▲
Payroll %	33.3	33.0	-0.2	▼	32.9	32.6	-0.3	▼
GOP PAR	25.50	25.38	0.5%	▲	25.46	25.93	-1.8%	▼



HOTSTATS Briefing Data

UK Chain Hotels - Performance report Currency: £ Sterling



The month of August 2011

	Aug '11	Aug '10	Var b/w	
TOTAL UK				
Occ %	76.8	75.9	0.9	▲
ARR	82.23	81.01	1.5%	▲
RevPAR	63.14	61.50	2.7%	▲
TrevPAR	97.80	96.63	1.2%	▲
Payroll %	31.8	31.1	-0.7	▼
GOP PAR	32.26	32.87	-1.9%	▼
LONDON				
Occ %	82.2	82.6	-0.4	▼
ARR	107.15	105.49	1.6%	▲
RevPAR	88.12	87.14	1.1%	▲
TrevPAR	115.10	114.70	0.4%	▲
Payroll %	29.8	28.5	-1.3	▼
GOP PAR	44.41	46.32	-4.1%	▼
PROVINCES				
Occ %	73.7	72.2	1.6	▲
ARR	66.77	65.40	2.1%	▲
RevPAR	49.24	47.22	4.3%	▲
TrevPAR	88.18	86.56	1.9%	▲
Payroll %	33.3	33.0	-0.2	▼
GOP PAR	25.50	25.38	0.5%	▲

The calendar year to August 2011

	YTD '11	YTD '10	Var b/w	
TOTAL UK				
Occ %	73.7	73.2	0.5	▲
ARR	92.67	88.19	5.1%	▲
RevPAR	68.33	64.56	5.8%	▲
TrevPAR	107.74	104.33	3.3%	▲
Payroll %	28.9	29.1	0.1	▲
GOP PAR	40.44	38.92	3.9%	▲
LONDON				
Occ %	81.1	81.2	0.0	▼
ARR	130.36	119.80	8.8%	▲
RevPAR	105.78	97.26	8.8%	▲
TrevPAR	142.51	134.25	6.2%	▲
Payroll %	24.6	25.0	0.4	▲
GOP PAR	67.02	62.00	8.1%	▲
PROVINCES				
Occ %	69.6	68.7	0.8	▲
ARR	67.86	67.16	1.0%	▲
RevPAR	47.20	46.15	2.3%	▲
TrevPAR	88.14	87.48	0.7%	▲
Payroll %	32.9	32.6	-0.3	▼
GOP PAR	25.46	25.93	-1.8%	▼

The twelve months to August 2011

	Rolling '11	Rolling '10	Var b/w	
TOTAL UK				
Occ %	74.0	73.2	0.8	▲
ARR	93.41	88.53	5.5%	▲
RevPAR	69.15	64.82	6.7%	▲
TrevPAR	111.06	106.96	3.8%	▲
Payroll %	28.2	28.2	0.0	▼
GOP PAR	43.16	41.12	5.0%	▲
LONDON				
Occ %	82.0	81.5	0.5	▲
ARR	130.78	119.47	9.5%	▲
RevPAR	107.28	97.39	10.2%	▲
TrevPAR	147.31	136.94	7.6%	▲
Payroll %	24.1	24.3	0.3	▲
GOP PAR	71.00	64.65	9.8%	▲
PROVINCES				
Occ %	69.5	68.5	1.0	▲
ARR	68.47	67.74	1.1%	▲
RevPAR	47.58	46.42	2.5%	▲
TrevPAR	90.56	90.01	0.6%	▲
Payroll %	32.1	31.6	-0.5	▼
GOP PAR	27.41	27.82	-1.5%	▼

TRI Hospitality Consulting

David Bailey - Deputy Managing Director | T 0207 892 2202 | E david.bailey@trihc.com
 Ben Livingstone - Senior Consultant | T 0207 862 2205 | E ben.livingstone@trihc.com

HOTSTATS

Mark Dickens - Managing Director | T 0207 892 2207 | E mark.dickens@hotstats.com
 David Stephens - Senior Operations Analyst | T 0207 486 2217 | E david.stephens@hotstats.com

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→ CONFERENCE NEWS

We are delighted to announce that Hospitality Financial and Technology Professionals (HFTP) is partnering its popular European Hospitality Technology Educational Conference (EHTEC) with our own HOSPACE 2011.

EHTEC@HOSPACE will be held on Friday 25th November following on from the HOSPACE event on Thursday November 24th at the Sofitel Hotel, Heathrow. The second day of education will be complimentary only for HOSPACE attendees, focusing on hospitality technology topics important to those working across Europe. The EHTEC@HOSPACE education programme will be announced soon on the HOSPACE website.

"HOSPACE is one of the most prestigious and informative business events for the UK hospitality industry, so co-locating EHTEC and HOSPACE is a good fit for both associations and for hospitality professionals," said Frank Wolfe, CAE, CEO of HFTP. "With the global economic climate still recovering, it allows hospitality professionals to attend two popular European hospitality conferences for the price of one."

"Since 2007, EHTEC has been instrumental in bringing the latest information to its attendees by focusing on tough hospitality technology issues found in Europe," said Carl Weldon, CEO of HOSPA. "We are excited to partner with EHTEC to provide HOSPACE attendees with a bonus of education and networking opportunities."

Topics for the day will include

- **How does technology generate revenue or does it?**
- **Data Security & PCI Compliance**
- **"Ask The Experts" where the audience will bring problems and the panelists will offer solutions**

HOSPA Career Investment Development Scholarships - sponsored by HFTP

Nominate an **"Under 30 STAR of the Future"** to mix with **business leaders of today!**

We are very pleased to announce this unique opportunity to provide career development for five upcoming young people under the age of 30 working in Finance, Revenue Management and IT in the hospitality industry.

The HOSPA Award offers the lucky winners the opportunity to be noticed and publicly recognised for their outstanding achievements in the work place.

The prize comprises of a full day at HOSPACE 2011 on 24th November plus a place at the Conference Dinner, where their achievements will be recognised. Each recipient will be featured in the Conference Edition of the HOSPA journal, the Overview.

Winners must be nominated by their supervisor or senior manager using the form available on the HOSPACE website.

New for 2011!

HOSPA Future Career Investment Development Scholarships sponsored by HFTP. Open to UK university undergraduates studying on hospitality courses. Students must be nominated by their Course Leader and still be in full time education.

For more details contact the HOSPA Membership and Education Services Office on 01202 889430 or email info@hospa.org



HOSPACE

Conference & Exhibition



The BAHA Conference & Exhibition becomes HOSPACE 2011

“New Approaches to a Bright Future?”

Highlights

- Leaders' Panel - Key trends and challenges for the near future
- Industry overview – Hotels, Pubs and Restaurants and into 2012
- Hotel Finance – Making design pay. Capex and refurbishment can pay-off
- Hospitality IT Debate – new guest ‘techs’ and the challenge for today’s hospitality IT management
- Revenue Management – Rate parity, pricing and the Office of Fair Trading investigation – are your policies and practices putting you legally at risk?
- Choice of 18 educational workshops for delegates
- Exhibition featuring an extensive range of 26 leading technology suppliers to the sector
- Excellent networking opportunities throughout the day and at the Conference Dinner

Speakers include

Robert Cook, CEO Malmaison
Richard Lewis, (new) CEO, Best Western Hotels
Kiaran W. MacDonald, GM, The Savoy
Jeremy Ward, SVP IT, Kempinski Hotels
Ufi Ibrahim, CEO, BHA

What was said about the 2010 Conference?

“A note to thank you and your team for yet another superb conference. My team came back literally buzzing with ideas and they were inspired by a number of the speakers to look at new opportunities for the business. We are fortunate to attend a number of events annually and the BAHA event is the most professionally organised with the best content. Well done and keep up the good work!”

Ciaran Fahy, Managing Director, The Cavendish London

24 November 2011 / Sofitel / Terminal 5 / London Heathrow / UK

BOOK TODAY

info@hospace.net
+44 (0)1202 889430

Visit www.hospace.net for the full 2011 HOSPACE conference programme and for the latest information



Enrolling now for the HOSPA Revenue Management Course

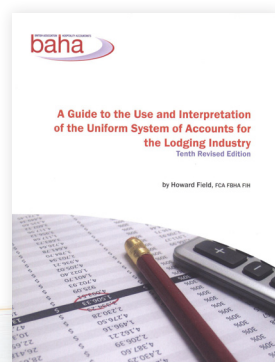
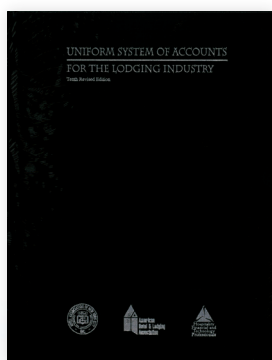
HOSPA's Revenue Management Course provides an entry route to Associate membership status with HOSPA. This route aims to provide a career path for revenue managers and directors in the hospitality industry. The course is developed to provide learning and development for aspiring hospitality revenue management professionals to gain the skills and knowledge required to manage hospitality revenue management divisions of the future, or to gain a more detailed understanding of the revenue management function of a hospitality organisation. Course members study whilst working, with access to an online classroom with tutor support and resources to support their learning.

The course materials have been written by experienced educators specifically to match the needs of revenue management professionals in the hospitality industry. The course will enable students to solve problems in the workplace as a part of their assessed course assignments. Support will be available from a tutor via email, telephone or the online classroom for UK and overseas based students and is to be accredited by Oxford Brookes University (subject to confirmation).

Interested?

Learn more from our website www.hospa.org or phone the Membership and Education Services on + 44 (0) 1202 889430

In the HOSPA bookshop



Uniform System of Accounts for the Lodging Industry (10th Edition) published 2006

The most recent edition of the USALI addressed the current industry trends, which emerged since the 9th edition was published in 1996. Some of the evolving issues which were addressed by the 10th edition included how to deal with condo hotels, reporting for internet wholesales, and resort fees, which seems to have particular relevance in this day and age of a la carte pricing which the airline industry has recently adopted.

£65 HOSPA members, £75 Non-members

Guide to the Uniform System of Accounts for the Lodging Industry (10th Edition) written by Howard Field and published by HOSPA

The aim of this guide is to provide help to a range of users including students, trainee accountants, financial and operational managers, new entrants to the hotel sector, teachers, asset managers, legal and financial advisors and analysts, auditors and anyone who is involved in the hospitality industry and who has a need to become familiar with the Uniform System.

£25 Members & Non-members

Postage: Standard UK postage £2 per book, other destinations and multiple books on request.

Order your copies by telephoning HOSPA on 01202 889430 or at the new HOSPA online shop from mid-October.

