THE OVERVIEW

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Happy new year, happy new planet?

Call for emissions cut **P8**

Featured inside

Welcome to THE OVERVIEW

At the time of writing it was unclear how Chancellor Rishi Sunak was going to address the mounting rent bill in the sector. And, given that writing letters which begin “at the time of writing it was unclear” relating to the UK government has been something of a trend last year, for this hack’s New Year wish, I - and, I suspect, the sector - would like some leadership and clarity for 2021.

Of course - of course - 2020 was hard to forecast, but the hospitality sector is within its rights to ask for leadership which delights not just in its tax, but in keeping it alive. It has been hard not to feel personally picked on at moments, as photos of Christmas shoppers rubbing up against each other were shown alongside images of pubs and restaurants either closed or handing Scotch Eggs out of hatches.

Fuller, Smith & Turner chairman Michael Turner put it rather well when he said: “In the short term, we need clarity of message and a clear roadmap out of the coronavirus crisis. We know we can play a major role and we relish the challenge of doing so.

“Should the Chancellor need any further encouragement, the net tax deficit from Fuller’s alone for the first six months of the year is over £70m. The country needs pubs, restaurants and hotels fully open - and soon - for the financial contribution they make, the jobs they create, and the significant role they play in the emotional wellbeing of our customers and our teams.”

That was at the end of November and things have not exactly improved, either in terms of the virus or sector support from the government. But there is some small hope. At the time of writing (see how that works?) there were 157,431 signatures on the Petition to create a minister for hospitality in the UK government. Parliament will debate this petition on 11 January 2021 and it is hoped that the sector’s voice will be too loud to ignore. Onwards to clarity in 2021.

Katherine Doggrell

Editor | katherine.doggrell@hospa.org

January 2021
Inside this issue

CEO
Jane Pendlebury
jane.pendlebury@hospa.org

Editor
Katherine Doggrell
katherine.doggrell@hospa.org
+33 6 42 75 45 95

Membership & Events
Robert Maloney
Membership Officer
rob.maloney@hospa.org
0203 418 8196

Editorial Board

Diana Mountain
Treasurer

Helen Marshall
Head of Sponsorship

Contact:
hospa@hospa.org
0203 418 8196

Publisher
Hospitality Professionals Association

Professional Development

Debra Adams
Head of Professional Development
debra.adams@hospa.org
01202 889 430

Sue Callard
Programmes Coordinator
sue.callard@hospa.org
01202 889 430

Gill Sommerseth
Academic Administrator

HOSPA, Uplands Cottage, Grayswood Road, Haslemere, GU27 2BS

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

Stepping up

HOSPA CEO Jane Pendlebury looks forward with hope and hails the sector's efforts to do good in the face of the pandemic.

We can surely look forward to 2021 with an element of optimism even if we know we are not quite where we would like to be, just yet. 2020 turned out to be hospitality's annus horribilis – despite always trying to keep a sunny disposition, there is no point in pretending otherwise. There have been days when I sat at my desk (where else would I be? I couldn't be out and about as had been the norm for so many years!) taking call after call from bewildered and disoriented hoteliers and hospitality business owners.

We all became experts in new processes, new regulations, new technologies and a new way of living. I made it my personal mission to keep an eye out for good news, and I wasn't disappointed. There were hotels housing key workers, others hosting the homeless. Many adapted their operations to feed their hardworking local communities and switched their food delivery from fine dining to take-aways. The creativity of hospitality people shone through as we all tried to keep our heads above water.

At times, the Government seemed really aware of hospitality as a valuable industry, as we benefitted from the furlough job retention scheme, business rate holidays, loans and the VAT cut. At times we felt ignored and taken aback by some of the restrictions that did not seem to take into consideration the effort and hard work that went into making our establishments COVID safe and sparkly clean. Everyone now knows who Kate Nicholls is! Kate and her team at UK Hospitality have worked tirelessly on behalf of our industry and we should all be forever grateful to them for continuing to give us a voice in parliament. Perhaps the next step will be that hospitality has its own minister rather than being lost in BEIS and DCMS. We shall watch the debate with interest.

> I fear the path back to normality is not going to be an easy one. I suspect there will be more casualties along the way. However, those who survive this desperate time should come back stronger. We will hopefully all benefit from pent up demand to socialise and network.

There were some though who, despite the Government's supportive measures, have endured a truly horrendous year. Some, tragically lost family members and friends, others their jobs and some their whole businesses. Thankfully our industry charities stepped up – notably Hospitality Action which was able to offer some immediate support to those who needed it most.

I fear the path back to normality is not going to be an easy one. I suspect there will be more casualties along the way. However, those who survive this desperate time should come back stronger. We will hopefully all benefit from pent up demand to socialise and network.

So, we must keep our heads held high and our smiles firmly smiling. Together we can pull through! We will emerge with dignity and a deep desire to bring the people of the UK (and beyond) back out to our establishments, encouraging them to enjoy all that we – as fabulous hospitality professionals – can deliver.

Jane Pendlebury

HOSPA CEO
jane.pendlebury@hospa.org

Announcing the HOSPA Scholarship Scheme

During these extremely challenging times for the hospitality industry, the team at HOSPA are very much aware that maintaining investment in our own professional development is difficult, particularly in the current economic environment.

Equally it is important to maintain and develop professional knowledge to meet the current commercial challenges and to remain agile in the workplace whilst ensuring future career needs are being met.

At HOSPA we are very grateful to the Savoy Educational Trust for their continuous commitment to careers and professional development in the commercial roles within the sector. With their support we are now able to offer a number of subsidised places on our online courses in Revenue Management and in Financial Management commencing in March 2021. The scholarship funding is open to all those based in the United Kingdom who are working in the hospitality sector and who can demonstrate the commitment to developing their careers in these disciplines.

Funding is available for up to 50% of the course fees with the learner or sponsoring company committing to funding the remaining 50% which can be paid in three equal instalments. To apply for the funding please complete the application form at www.hospa.org

The application process closes on the 11th January and all applicants will be notified by the 29th January in readiness for enrolment on to the courses at the start of March.

Funding is available for all three levels of both the Revenue Management and Financial Management Programmes with each level costing in total £820 + VAT.

HOSPA Financial Management Programmes

This programme provides the first step to pursuing a career in business and finance in the hospitality sector.

The course content is based on best practice in the sector and follows the guidance and recommendations of the Uniform System of Accounts for the Lodging Industry (2014 edition). The course offers three levels of study and successful completion of all three levels leads to Certified Associate Membership of HOSPA enabling members to use AHOSPA Cert (FM) in their business correspondence.

This award confirms that the member has the skills and knowledge to manage a hospitality finance department. What will you study?

The course is studied in 3 levels; each of which takes 5 months to complete.

- Level 1: Introduction to Financial Management
- Level 2: Operational Management Accounting
- Level 3: Strategic Management Accounting

"The third level of the HOSPA course included several aspects that I have had little exposure of to date in my role. As a result, I felt this really assisted in developing my base knowledge as well as being able to use this theory in the workplace. It has led to me requesting additional exposure to forecasting and budgeting as well as being part of the substantial ROI calculations for some large CAPEX projects that are ongoing at the property.

Being able to support the theoretical text with case studies focusing on industry specific examples have really helped to benefit me and allowed the application of the theory to be more easily understood."

Simon Leech, Assistant Financial Controller at the Sheraton Grand Hotel and Spa in Edinburgh

HOSPA Revenue Management Programmes

This suite of courses provide more than training in Revenue Management - we provide the opportunity to learn about the different approaches to a particular technique and, with your tutors expert help, develop your skills to assess what techniques will suit your organisation.

- Provides the practical knowledge and understanding required to manage the Revenue Management function in a hotel or hospitality business
- All levels are available from Introductory through to Strategic
- The course tutors are revenue management experts and are there to help you get the most from the course
- Leads to HOSPA Associate (Cert Revenue Management) membership of HOSPA on completion of all modules
- Student members have all the benefits of full HOSPA membership including access to online journals (including the Journal of Revenue and Pricing Managment), members meetings and communities

"The HOSPA course allowed me to gain additional knowledge about Total Revenue Management, while using different assignments to apply theoretical knowledge to my current set of properties. It also provided access to an impressive set of learning resources."

Antonio Sans, Revenue Manager with STAY Properties

For more information about the HOSPA professional education programmes available please visit https://www.hospa.org/finance-revenue-programmes or email us on education@hospa.org

Enrol now with 50% funding available for course fees for HOSPA courses in 2021

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Celebrating with our top learners!

This month we catch up with 2020 prize winner Simon Bickle, who is currently an Assistant Cluster Financial Controller at Crowne Plaza Plymouth (Valor Hospitality Europe).

Simon achieved the highest overall grade for Level Two Operational Management Accounting on the HOSPA Financial Management course which he completed in 2019.

Simon then went on to finish his studies by successfully completing Level Three in Strategic Management Accounting. Completion of the full course gives Simon Certified Associate membership of HOSPA and enables him to use the letters AHOSPA Certified FM in his business correspondence.

The Crowne Plaza Plymouth is a refined hotel with a leisure club, meeting rooms and rooftop restaurant. It is situated an easy walk from the seafront and city centre.

Simon tells us:

"I first entered the Industry in F&B as Kitchen Staff, moved to front of house and worked up to F&B and Accommodation management positions in hotels and restaurants. Eventually working up to Operations Manager.

I was working in Cornwall as Operations Manager of a Hotel and I wanted a role that was closer to home and more conducive with Family life, but still within the hospitality industry. This narrows your options within this industry, and Finance was an area of Hotels I hadn't worked in, I wanted a new challenge and to broaden my understanding of this area of the operation.

As I had no Finance background the course has helped to improve my understanding and capability within the department. I started 3 years ago as an Accounts Assistant looking after the purchase ledger and developed from there to my current role of Assistant Financial Controller of two hotels.

Ultimately, I would like to progress into Management Accounting, possibly within the hospitality sector."

For more information regarding all the HOSPA courses in Revenue Management, Financial Management and Asset Management starting March 2021 visit www.hospa.org/hospa-scholarships or email education@hospa.org to find out more.

Forthcoming webinar from the Professional Development team:

Online Open Day – learn more about the HOSPA Education courses with members of the course team on hand to answer your questions Thursday 21st January at 2.00pm and Thursday 18th February at 2.00pm.

As I had no Finance background the course has helped to improve my understanding and capability within the department. I started 3 years ago as an Accounts Assistant looking after the purchase ledger and developed from there to my current role of Assistant Financial Controller of two hotels.

Is order and pay technology here to stay?

The COVID-19 pandemic has undoubtedly put digital solutions at centre stage in the customer journey.

As operators across all sectors of the industry put a laser focus on safety measures and managing cash flow in order to survive, we've all seen an explosion of innovative revenue streams and ordering channels – many of which have been made possible through technology.

Most notable of these have been order and pay at table solutions – from apps to web ordering, which, prior to the Coronavirus pandemic were still emerging technologies – used mainly by early adopters – both operator and consumer. Zonal and CGA's GO Technology research programme has been tracking the adoption of order and pay technology over the past two years, and findings from the most recent study show that the percentage of UK adults using order and pay tech has more than doubled since before the pandemic - up from 18% to 43%.

> Most notable of these have been order and pay at table solutions – from apps to web ordering, which, prior to the Coronavirus pandemic were still emerging technologies – used mainly by early adopters – both operator and consumer.

And consumers have reacted positively to the new ordering channel. Just over three quarters (77%) of the 5,000 UK adults surveyed said they have been satisfied or very satisfied with the ease of ordering, and even more (79%) with the ease and speed of payment – a notorious and recurring pain point for customers in hospitality venues.

Whilst order and pay was previously viewed with scepticism by some as a replacement to human interaction, it has in fact, enhanced the customer experience and served to provide reassurance for customers around safety issues. Nearly nine in ten (86%) of those who used order and pay solutions reported that their interaction with staff was the same or better than it was before lockdown.

The research also emphasised the very close correlation between digital ordering solutions and customer concerns over safety with 40% of consumers say they feel safer in venues that use order and pay technology. A further third (34%) stated that they would be more likely to visit a venue that has order and pay technology.

Is order and pay here to stay or just a pandemic trend? With current adoption almost doubling compared to pre-COVID times and almost half of 18-44 year-olds intending to use the technology going forward even when COVID measures are eased, by giving customers both choice and convenience there is strong evidence to suggest that order and pay technology can easily sit alongside your more traditional ordering methods.

For more information about the GO Technology research or to find out more about Zonal's range of digital order solutions please visit zonal.co.uk.

This article is based on figures from Zonal and CGA's GO Technology survey, a sample of 5,000 nationally representative British consumers. All figures are taken from the October 2020 edition of the survey.

UK targets emissions cut

The hospitality sector has a way to go to make itself more environmentally friendly, Katherine Doggrell hears.

The Energy & Environment Alliance has welcomed the announcement by the UK government to cut greenhouse gas emissions by at least 68% by 2030.

The EEA said that the starting point for the accommodation sector was "behind the rest of the UK economy" but that "the prize of transitioning could be greater".

UK prime minister Boris Johnson said: "We have proven we can reduce our emissions and create hundreds of thousands of jobs in the process. We are taking the lead with an ambitious new target to reduce our emissions by 2030, faster than any major economy ... The UK is urging world leaders to bring forward their own ambitious plans to cut emissions and set net zero [carbon] targets."

Ufi Ibrahim, CEO, the Energy & Environment Alliance, said: "The announcement reveals that the UK government has engaged thoughtfully and seriously with the climate change agenda. The new target is both ambitious and achievable. Thanks to a substantial commitment to invest in the generation and distribution of renewable energy throughout the UK, Boris is not so much forcing the economy to go green as reinforcing the business case to go green. If hospitality businesses want to know how best to respond, we are here to help."

The EEA said that the new national target would require all sectors of the economy, with the exception of aviation and shipping, to make sweeping reforms to achieve greenhouse gas emissions cuts without the use of carbon offsets. Business reforms across the UK domestic economy were therefore unavoidable and sticks must be inherent in the government's process. That said, even before regulation, carbon taxes or other penalties are introduced, public opinion and investor sentiment are likely to push businesses into action on climate grounds.

Accommodation services were one of only three sectors of the UK economy to see their energy intensity increase over the past three decades, according to a report from Ignite Economics.

The study found that accommodation services had increased by around 10%, against a fall of 53% for the UK as a whole.

Energy intensity was described as the amount of energy used to produce a unit of economic output.

A closer look at the UK accommodation industry revealed that it had increased its energy usage by 47% since the turn of the century (2000-2018) – more than any other industrial sector.

The accommodation sector had also grown by around 70% during this time, however, Ignite Economics still estimated that the industry could save 15% to 20% of its energy usage, which was up to £270m/yr, or up to 660m kg/yr of CO_2.

Ed Birkin, CEO, Ignite Economics, said: "There is no question that the long-term trends in energy usage in the UK are all in the right direction: total energy use is down; energy intensity is down; the proportion of fossil fuels is down and the usage of renewables is growing exponentially. However, some sectors of the economy are doing much better than others and in the accommodation sector, there is clearly scope for considerable savings."

Ibrahim outlined some of the options open to the sector. She said: "Technological hardware and software, and many service providers, are already active in our industry. Many offer the opportunity to reduce energy usage. It is also possible to switch from brown to

renewable energy.

"However, investing without proper analysis of a property or portfolio's current energy consumption and how that compares with peers, has downside risks. So, the first step should be to analyse energy performance over time and in real-time. This analysis may highlight opportunities for quick fixes requiring zero to minimal investment, such as operational changes in the conferencing suite or the kitchen. Understanding how a hotel's energy performance compares with peers can also highlight areas for immediate improvements and can also guide investment decisions. This in turn significantly lowers risks related to the acquisition of new technologies or services.

"Red Carnation Hotels is a great example of a group that is rewiring their business to be socially and environmentally sustainable. They are signed up to 100% renewable energy, which is a great start, but they have gone one step further with a wide range of initiatives around waste reduction in energy, food, the sustainable sourcing of products, plastic elimination and better energy conservation. Importantly, they have implemented data monitoring technology and are analysing energy management across all their hotels. They have allocated funding for energy investment projects and are engaged in building proprietary industry benchmarking with the Energy and Environment Alliance."

Ibrahim looked to the drivers for change in the sector. She said: "The Ignite Economics research shows that the accommodation sector is the laggard on energy usage and energy intensity. The analysis identifies a significant opportunity for savings across the sector amounting to £270m p.a. and 660,000 tonnes of CO2. This may be a reflection of the industry's focus on the demand, rather than supply side of the business. Productivity gains have historically focused more so on labour productivity, rather than systems, procedures, design or technologies. The impact of Covid-19, the acceleration of regulation and the ground swell of consumer demands for change on climate grounds, will heighten pressure on hotels to make significant changes. There will always be leaders, gaining first mover advantage, while others will follow. The EEA is proud to work with the leaders."

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Will government make April fools?

The moratoria on rent has been extended until the end of March, but without support it could lead to a 'calamity of evictions' on 1 April, says Katherine Doggrell

Communities Secretary Robert Jenrick announced what he called the "final extension" to protections from the threat of eviction, giving landlords and tenants three months to come to an agreement on unpaid rent. The government said that it was clear that where businesses could pay any or all of their rent, they should do so.

Jenrick said that the majority of commercial landlords had shown flexibility, understanding and commitment to protect businesses "during an exceptionally challenging time".

Jenrick also announced a review of the "outdated" commercial landlord and tenant legislation, to address concerns that the current framework did not reflect the current economic conditions.

The review will consider how to enable better collaboration between commercial landlords and tenants and also how to improve the leasing process to ensure high streets and town centres thrive as we recover from the pandemic and beyond.

Jenrick said: "I am extending protections from the threat of eviction for businesses unable to pay their rent until March 2021, taking the length of these measures to one year. This will help them recover from the impact of the pandemic and plan for the future.

"This support is for the businesses struggling the most during the pandemic, such as those in hospitality – however, those that are able to pay their rent should do so.

"We are witnessing a profound adjustment in commercial property. It is critical that landlords and tenants across the country use the coming months to reach agreements on rent wherever possible and enable viable businesses to continue to operate."

Business Secretary Alok Sharma added: "We have stood by businesses across the country throughout this pandemic, and as we head into the New Year we will make sure they continue to have the support they need to keep their finances stable, protect jobs and build back better.

"There is still some uncertainty ahead, but knowing that they won't be evicted by their landlord will give thousands of business owners some breathing space and the additional confidence they need to plan for their futures."

An extension to the lease forfeiture and debt enforcement moratoria will help avoid an immediate bloodbath of business failures across hospitality, but it must be accompanied by support to resolve COVID-related rent debt, UKHospitality responded.

The group estimated that there was £1.6bn in unsettled rent from the COVID crisis period within hospitality, which was due to increase further with the 25 December rent quarter payment date.

The trade body welcomed the announcement but warned that financial support would still be necessary, and landlords brought to the table, in order to find a solution and prevent widespread business failures. The alternative was "a calamity of evictions on April 1st".

> Issues continued to pile up, with the Chancellor failing to mention the need to address business rates in his Spending Review at the end of November, described as a missed opportunity by Colliers.

UKHospitality Chief Executive Kate Nicholls said: "This is a very welcome respite and it will be crucial in ensuring that more businesses do not fall off an immediate cliff edge. Hospitality businesses that have been hammered all year long were staring down the barrel of mass failures and job losses without this.

"If it is to be the final extension to the moratoria, then it is absolutely crucial that it is followed swiftly by a cohesive and comprehensive package of recovery measures from the Government. The focus now needs to turn to helping businesses begin to get back towards full strength and trade their way out of danger.

"An extension to the business rates holiday and VAT cut are a must, alongside loans to tenants where landlords have provided rent concessions.

"The Government must facilitate a resolution to the problem of rent debt which has built up over a devastating year. The forthcoming enhancements to the Code of Practice must bring landlords to the table to find a solution. They cannot be allowed to simply wait until April in order to evict and wind-up businesses

"The review of Commercial Property legislation, due to begin in the New Year, must also be delivered at pace. We have been calling for this for a long time and it needs to happen sooner rather than later if we hope to see more businesses benefit from it."

Issues continued to pile up, with the Chancellor failing to mention the need to address business rates in his Spending Review at the end of November, described as a missed opportunity by Colliers.

According to John Webber, Head of Business Rates at Colliers International, this was "desperately disappointing".

Webber said: "The Chancellor said this Review was all about "Jobs, Jobs, Jobs", but has forecast that, despite the measures he has revealed, the UK will see 2.6 million unemployed by Q2 next year. It is incomprehensible how he can say that on one hand, but then ignore the cries of crucial sectors of our economy, particularly the retail and leisure/ hospitality sectors, who need clarity over whether they will facing massive business rates rises again in April next year, once their Covid-19 business rates 'holiday' comes to an end.

"It's also worrying that the Chancellor has not mentioned a timeline for when he will announce on the Rates issue. Although the statement was not a tax review, it is inconceivable if he feels he can wait until the March Budget to discuss changes to the business rates system. By then many retailers will have made their plans for the forthcoming year and many of these will include closures and job losses in anticipation of the big bills coming through the letterbox.

"We are also disappointed there was no mention of any form of business rates reform- despite promises that we would hear about that this Autumn.

"Business rates contribute £26bn net to the economy, but the system, in its normal form, has been largely criticised as outdated and unfairly geared against the retail sector, putting bricks and mortar retailers at a disadvantage to purely on-line rivals or to other sectors. Criticisms were strong even before the impact of Covid-19 had taken its toll."

The business rates team at Colliers said the Chancellor should have:

- Announced an extension of the current 2020/2021 100% business rates holiday for the retail and hospitality sectors which is due to end next March- for another six or even 12 months from April 2021; giving the sector time to recover from the impact of the COVID-19 pandemic. "It is indeed inconceivable that retailers will be able to take back their high business rates commitments in April, particularly as they have missed their normal lucrative November trading period," said Webber.
- Provided business rates relief for other sectors who have not had the advantages of the business rates holiday. This includes the office sector where many businesses were prohibited from using their offices during Lockdown and workers were told to work from home. The financial implications have been dramatic. Colliers appealed to the Government to introduce a business rates holiday for the period of Lockdown and to introduce some reliefs for the disruption to businesses seen since. As we get through a second period of lockdown, this is more important than ever, and it is disappointing this has not been addressed.
- Extended the deadline dates for applications for the lockdown grants- so that businesses can take advantage of the forthcoming relaxation of current State Aid limits. At current limitation levels, only the smallest businesses can benefit from grants. Yet these larger employers are the ones responsible for maintaining most jobs.
- Made good on the promise to bring in proper business rates reform. The current system is outdated, and the Government had said it would report back on the first tranche of its consultation on reform this Autumn. However, as we move into December, nothing has been said. Colliers has urged the government to bring about an immediate reduction in the multiplier to £0.30, from current levels of £0.51 - making business rates a more affordable tax across the board- so all rate payers can benefit. There should also be an immediate reform of the reliefs system also.
- Brought in a business rates arrears moratorium until April 2021 at least for those businesses, who because of the pandemic have been unable to pay their business rates bills, allowing businesses a chance to sort out their finances. Many hard-pressed businesses are now receiving enforcement orders from their billing authorities for failure to pay their rates bills. We have been urging the government to instruct Local Billing Authorities to show flexibility and support to business rather than stepping up the heavy-handed court summons.

Webber said "The Chancellor had a golden opportunity today to bring some relief to businesses across the country who are struggling as a result of the unprecedented circumstances we have seen in 2020. It has been disappointing that he did not mention business rates or reassure businesses that they will not be faced with either untenable bills next Spring or court action now.

"We urge him to make some announcements in the month ahead, particularly before we go into the New Year. This issue is not going away and we expect the cry from businesses to become to "Rates, Rates, Rates.

"Failure to clarify the position until March 2021 may well lead to even more business closures and job losses across the country than the high numbers already forecast."

Make meta matter

What makes metasearch a cost-effective Way to regain control of your OTA bookings?

What is Metasearch?

A metasearch engine aggregates search results into a list of real-time websites. It compares hotel prices and availability, allowing browsers to compare hotel room rates from various booking channels.

Typically, this is dominated by third-party booking sites, which means hotels are missing opportunities for direct bookings. And so, failing to represent themselves gives OTAs an advantage.

Metasearch engines represent a huge opportunity for hotels, as these channels appear in the most prominent position available. They also provide an instant price comparison that's very easy to use.

Here's what you need to know about metasearch:

Metasearch strategy combines the digital marketing and distribution efforts of a hotel. It also presents a booking channel, as well as providing an online environment to advertise your hotel.

Advertising on metasearch engines gives you the opportunity to gain a competitive advantage. It helps to drive direct bookings to your hotel, where your competition may be surrendering to OTA commission.

You can be sure to maximise your hotels' digital presence by leveraging the many advantages offered by metasearch engines, allowing you to take back market share and increase your direct bookings.

Advertising on hotel metasearch engines provides an excellent opportunity for hotels to reach a wide number of bookers. This is due to the fact that many potential guests turn to these online platforms to look at reviews, accommodation offerings and price comparisons before making a booking.

Many hoteliers are faced with the same challenges associated with OTA high booking costs. With a metasearch campaign, you can be present in all the right touchpoints:

- Minimising distribution costs;
- Increasing brand awareness;
- Decreasing OTA reliance;
- Increasing direct-booking rates;
- Attracting new guests.

Metasearch is Growing in Dominance

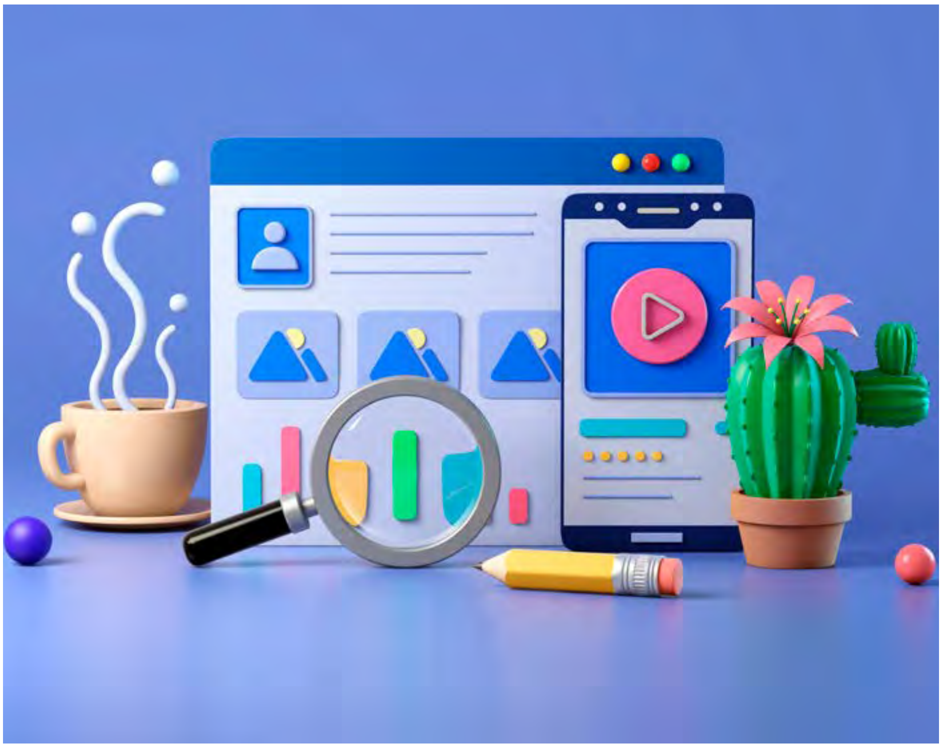
Metasearch is one of the fastest growing digital marketing channels for the hotel industry. By representing your direct channel via metasearch, you can ensure you're not automatically giving your bookings to third parties with high commissions. Through metasearch, you are able to gain more direct bookings at a lower cost of acquisition (COA).

On average, the COA is just 7.79%. OTA commission hotels, on the other hand, would face having to pay more as a result of not converting guests directly.

Metasearch helps to provide a seamless booking experience for your guests. It is a cost-effective online brand protection strategy, and hoteliers should consider adding it into their marketing mix. It offers new ways to optimise and tap into the online guest booking experience at every touch point.

Essentially, it's all about ensuring your guests see your direct prices at the first opportunity, and taking back control from OTAs in this space.

One of our sponsors, Profitroom, kindly pulled together this educational article.



On average, the COA is just 7.79%. OTA commission hotels, on the other hand, would face having to pay more as a result of not converting guests directly.

Sunak sees grant kickback

Chancellor Rishi Sunak announced one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring.

The grants were described as "not enough" with Robin Sheppard, president, Bespoke Hotels, telling us: "Clearly our chancellor has no idea of the numbers involved in keeping hotels afloat, but for small businesses we should be grateful."

Kate Nicholls, CEO, UKHospitality, said that the sector needed "a long term economic plan, to know what the support will be after March. We are past the tipping point where we can save all hospitality businesses. We need an urgent signal from the government that they will extend the rate relief. But we will see business failure and we will see jobs lost. It's helpful that the government has recognised that these need to be cash grants, but this is a sticking plaster.

"When we come out of this in March, businesses will have to find a year's worth of rent."

UK Hospitality has estimated that continuing the VAT and business rates holiday would cost around £4bn. Nicholls said: "We need to tackle the persistent scar caused by this through unemployment."

Emma Heap, founder, Chapter One brewpub in Bath, added that Sunak's plan was "Not even close, for many businesses that won't even cover rent. Also, the supply chain gets left high and dry in these situations. Hospitality can't exist if the breweries, drinks producers, snack suppliers, distributors etc all disappear!"

Under the plan, the Treasury will also offer a £594m discretionary fund.

The moved followed the Prime Minister's announcement that these business will be closed until at least February half-term in order to help control the virus.

The cash was provided on a per-property basis to support businesses through the latest restrictions, and was expected to benefit over 600,000 business properties, worth £4bn in total across all nations of the UK.

Sunak said: "The new strain of the virus presents us all with a huge challenge - and whilst the vaccine is being rolled out, we have needed to tighten restrictions further.

"Throughout the pandemic we've taken swift action to protect lives and livelihoods and today we're announcing a further cash injection to support businesses and jobs until the Spring. This will help businesses to get through the months ahead – and crucially it will help sustain jobs, so workers can be ready to return when they are able to reopen."

The government has also provided 100% business rates relief for retail, hospitality and leisure businesses, £1.1bn existing discretionary funding for Local Authorities, the furlough scheme now extended to April and 100% government backed loans, extended until March.

Further information

The one-off top-ups will be granted to closed businesses as follows:

- £4,000 for businesses with a rateable value of £15,000 or under
- £6,000 for businesses with a rateable value between £15,000 and £51,000
- £9,000 for businesses with a rateable value of over £51,000
- Business support is a devolved policy and therefore the responsibility of the devolved administrations, which will receive additional funding as a result of these announcements in the usual manner:
- The Scottish Government will receive £375m
- The Welsh Government will receive £227m
- The Northern Ireland Executive will receive £127m

The impact on hotel & flight bookings for December & January?

The festive season is normally the most wonderful time of year. But with ongoing challenges in Hospitality and beyond across the UK & Ireland, it can be challenging to get into the spirit this year.

However, with news of vaccine approvals and reduced quarantines, there are signs of positivity. As we close out 2020, we take a look at the latest forward-looking hotel and flight data to understand demand over the Christmas period, and the start of the New Year.

Who and where are people travelling throughout December and January?

With tiered restrictions and lockdowns still in place across the UK & Ireland, bookings remain low across most places. However, for those with properties in the UK, remember that lead times are still reduced, with 58% of bookings currently made within 0-7 days, of which 21% are same day bookings. In Ireland, since November, lead times have started to more closely mirror those of 2019, and just under a third are made in the less than one-week window.

With reduced demand, and much of it coming in last minute, we provide some key recommendations to think about across December and January.

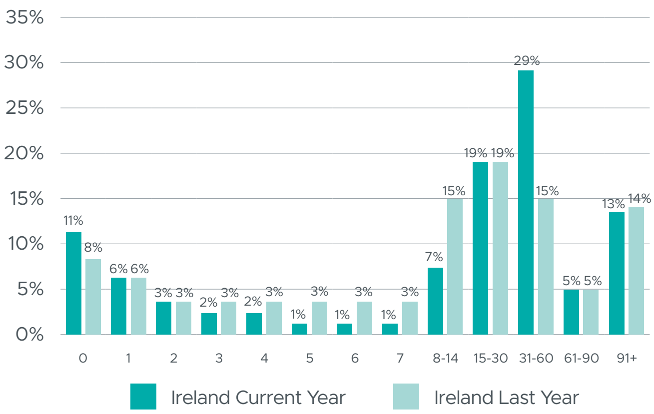
Firstly, keep an eye on your competition. 87% of hotels are open in the UK, and 92% are open in Ireland. Recent booking trends have shown mid-upper hotels to perform slightly better than other hotel types. However, looking at Christmas, luxury hotels are slightly ahead, indicating that price may not be a key driver, but rather the opportunity to treat ourselves or our loved ones. For Ireland, Average Daily Rates are also on the up for December and January, even compared with 2019. This means that despite lower occupancy, hotels may see some positive impact on revenues.

When thinking about promotions for the rest of 2020 and early 2021, keep traveller motivations top of mind. In the latest Visit Britain Consumer Sentiment survey, 62% cite Government restrictions as reasons for not travelling. But for those who will, hotels/motels/inns are their preferred choice of accommodation. This indicates that a focus on flexibility may spur greater demand than competing on price alone.

Our data shows that for Christmas and beyond, the areas expected to have the highest occupancy are Manaton, with upwards of 30% for Christmas and above 70% in January, Galway with around 35% in December and January, followed by Carlisle and Dublin with around 20% and 15% respectively.

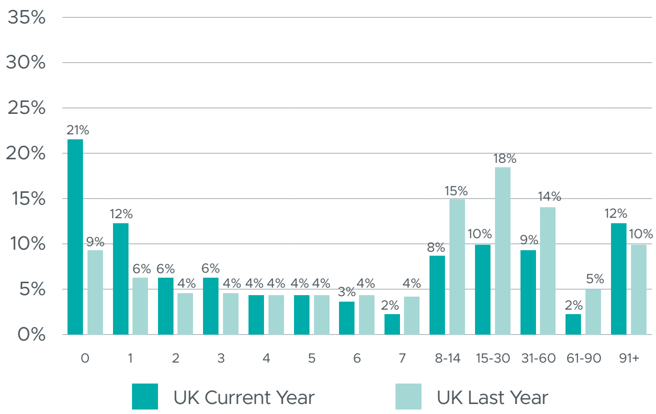
With the reduction in quarantine times across the UK & Ireland, this might bring in potential demand from neighbouring countries, as many return home for the holidays. For the UK, domestic travel still tops the list, with almost 30% of flights coming from within. Ireland too expects half of their flights to come from the UK.

Booking lead time (Ireland)



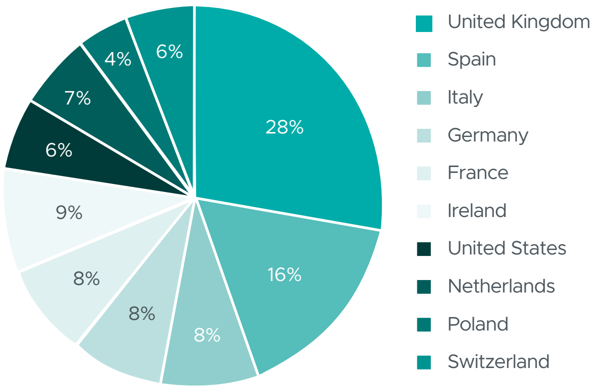
Source: Demand360®, 2 December extract date

Booking lead time (UK)



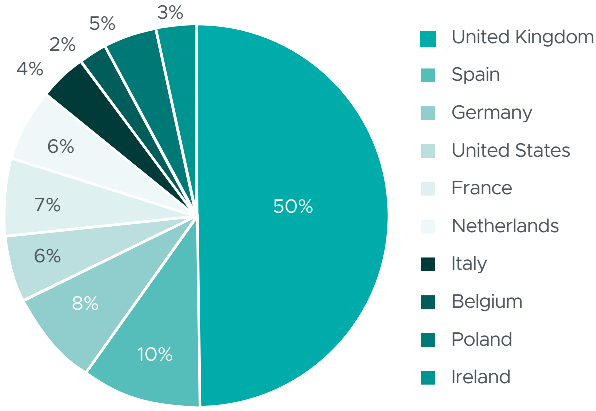
Source: Demand360®, 2 December extract date

UK - Top 10 sourcing country (total flights)
Source Country - December & January



Source: Amadeus Demand360®, 29 June extract date

Ireland - Top 10 sourcing country (total flights)
Source Country - December & January



Source: Amadeus Demand360®, 29 June extract date

Otherwise, when thinking about attracting available demand, target promotions across Europe, with almost all remaining flights coming from this area.

What about the rest of the world?

With almost everyone facing second and third waves, the global occupancy average as of early December is 28%, with South Pacific seeing highest occupancy overall. This trend continues as we look at bookings for January and February 2021. Across Europe, the UK and Ireland has higher expected occupancy than other key markets, such as France, Spain and Germany for the Christmas period – likely due to similar ongoing lockdowns in these areas. In terms of booking channel, the same trends in the UK & Ireland are present worldwide with OTAs, Brand.com and Direct making up the greatest proportion. With early 2021 seen as a critical period for vaccine approvals and the introduction of rapid testing at airports, it's important to keep an eye on how booking behaviour progresses in line with growing demand for travel.

Professionals' career concerns show need for engagement

Hospitality professionals have told a new survey that the COVID-19 pandemic has increased their anxiety about long-term career prospects in the sector.

The Pulse survey from CGA and CPL Learning—based on the Hospitality Professionals panel of people working in a variety of frontline roles and sectors—found that only a fifth (21%) were optimistic about the industry's prospects for the next six months. More people (36%) are optimistic about the 12 months to come, but both numbers are down by 20 percentage points from a Pulse survey towards the end of the UK's lockdown in June.

With market pessimism and job instability rising, there are widespread worries about prospects for progression in hospitality. Around a third (35%) of professionals say they are now concerned about their long-term job security—up by 13 percentage points since June.

The pandemic has also triggered a shift in perceptions about hospitality as a place to work. More than half (59%) of professionals still think the sector offers good career opportunities, but this figure has fallen by 15 percentage points since June. People likely to recommend the industry to friends and family as a place to work has tumbled too, from 61% in June to 36% now.

The sentiments point to possible retention and recruitment issues in 2021. While redundancies have deepened the pool of talent available to businesses lately, job security fears could turn some people away from the sector as a place to build a career.

Business leaders' fears about staff availability could be exacerbated by the UK's transition from the European Union at the end of this year. CGA's Business Leaders' Survey at the start of 2020 found that nine in ten (90%) industry leaders thought immigration levels and controls would be a major issue for the sector this year, and two thirds (66%) considered it their biggest recruitment challenge. With all leaders citing staff availability as important to the success of their business, the importance of good recruitment and retention is obvious.

The sentiments point to possible retention and recruitment issues in 2021. While redundancies have deepened the pool of talent available to businesses lately, job security fears could turn some people away from the sector as a place to build a career.

Hospitality professionals have endured a year of unprecedented upheaval, and lockdowns, trading restrictions and safety obligations have made frontline work extremely challenging," says Chloe Sheerin, consumer research executive at CGA.

"Businesses have generally done a good job of supporting staff and protecting jobs where possible, but these figures are a reminder of the need to stay right on top of teams' concerns and respond accordingly. Genuine staff engagement, reassurances about job security and clear signalling of career paths will all be crucial to operators' efforts to retain and recruit the teams that will lead their recovery efforts in 2021."

The Hospitality Professionals Pulse survey from CGA and CPL Learning gathered views from 198 people.

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Hospitality's confidence shattered after year of Covid-19

Latest Business Confidence Survey from CGA and Fourth reveals the scale of the challenges facing operators.

The Covid-19 pandemic has wrecked confidence across hospitality, with fewer than one in five (18%) leaders now optimistic about the market's prospects for the next 12 months, the new Business Confidence Survey from CGA and Fourth reveals.

The figure is 42 percentage points down on the pre-pandemic level of 60% in the February edition of the survey. Extended restrictions on trading and socialising over the autumn have led more than a quarter (27%) of multi-site business leaders to predict their groups will be unviable within the first six months of 2021 if current levels of support continue. Single-site businesses are at even greater risk of failure, the survey shows.

However, twice as many leaders (35%) say they are optimistic about their own business' prospects over the next year—a substantial increase from the last edition of the Business Confidence Survey. There are also signs of cautious ambition, with more than two in five (44%) leaders intending to open new sites in 2021.

CGA's research, supplemented by a poll of members of UKHospitality, the British Beer and Pub Association and the British Institute of Innkeeping, shows the particularly damaging impact of England's tiered system of restrictions. Nine in 10 (88%) leaders say pubs, bars and restaurants will be unviable or loss-making in Tier 2 regions of England, where well over half (59%) of licensed premises are located.

CGA's research & insight director Charlie Mitchell said: "As we near the end of hospitality's toughest year in memory, the bleak picture of the sector will come as little surprise. Suffocating restrictions across Britain will devastate trading in what should be businesses' busiest time of the year. Leaders' optimism is at least rising from the rock bottom level of our last survey, and news of a vaccine is a reason for cautious hope of recovery in 2021. However, this week's Tier 2 restrictions in England and strict new limits in Wales could be fatal for smaller business in particular, making the case for more relaxed trading conditions and better government support even more urgent."

Sebastien Sepierre, Fourth's managing director – EMEA, said: "Hospitality has always been a resourceful, optimistic and innovative sector, something we're immensely proud to be a part of. Despite these strong characteristics, the results clearly paint a stark picture for leaders' optimism levels across the sector, as businesses look to negotiate the ever-moving goalposts of Government restrictions, during what is traditionally the busiest period of the year. With cautious optimism on the horizon, in the form of a vaccine, there still remain many challenges in the year ahead, such as the availability of goods and labour, after we exit the EU Customs Union. We will continue to work tirelessly with businesses to help them harness the power of technology and data to tackle what lies ahead."

The Keys to your Kingdom

Chaos descended at the Marriott in Denver on the stroke of midnight on New Year eve as guests at the 628-room Marriott were locked out of their rooms when their electronic key cards stopped working - for a staggering three hours.

Denver police were called to the hotel as fights broke out among frustrated guests. Now I appreciate this is an extreme example, but the Door Access system not working in your hotel is going to cause a lot of disruption to you and your guests, but hopefully not fighting!

The first mechanical reprogrammable card lock was invented in 1976 by Tor Sørnes, who had worked for VingCard since the 1950s. The first card lock was installed in 1979 in the Westin Peachtree Plaza Hotel, Atlanta, USA. This product triggered the evolution of electronic locks for the hospitality industry that we all take for granted every time we open a bedroom door in a hotel.

Although there have been massive leaps in contactless technology the magnetic key card is still king and used by the majority of hotels in the UK. The reason being that it is incredibly expensive to change every lock in a hotel for a newer system and will continue to be a barrier to advances such as guests using their mobile phone to open their hotel room in all but a small percentage of hotels in the UK.

Hotel guests want to feel safe and secure in their temporary home. Hotels have a duty to protect them. After all, the business depends upon them. Good security benefits everybody, hotel guests, staff and managers. When all staff take security seriously as a service, the result is a well run, efficient hotel with an excellent reputation and booming business. Security should be another guest service, just like the bar, restaurant, leisure club or turn-down service, however they now look in a post COVID world. It should not be seen as an overhead, but as a value-adding service, which can be used to promote the hotel as a safe haven and secure environment.

Over the last year we have had an increase in enquires from hotels looking to roll out contactless initiatives, such as mobile check-in and digital keys. While the industry awaits pent-up demand, hoteliers have a golden opportunity to perfect a superior brand experience for customers, with their safety at the heart of all operations. Companies should be looking ahead to a future of contactless travel and investing in technologies that can keep up with what consumers expect from their service under unique and challenging circumstances.

Many hotels see the door access system as just there to let guests in their rooms and do not actively manage the system. Due to the make up of the door entry system part mechanical, part IT system its responsibility can be difficult to pin-point, is it maintenance, front desk or IT department and in many cases no one takes responsibility for this mission critical system. We have to look beyond "it's just a system for letting guests in rooms" it is probably one of the most critical systems you have in your hotel.

I would love to hear from you and include your comments and suggestions for future columns so feel free to drop me an email. andrew.evans@keystep.co.uk

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About the Author

Andrew Evans, Chief Executive Officer, Keystep Solutions Limited

Andrew is the founder and Chief Executive Officer of Keystep Solutions Limited, a specialist solution provider of Electronic Lock Systems to the hotel and leisure sectors. Keystep is a major player within the hospitality industry and has an enviable client list.

Keystep Solutions are now the market leader and innovator in the electronic door locking and access control They supply most of the hoteliers in the UK and beyond.

Call for rigour in wellness

For wellness to deliver valuable returns in a project, investors must be "pioneering" and rigorous in their approach, according to the updated RLA Wellness Real Estate Report.

Wellness also offered a safety net for investors, through extra facilities, more use of suites and increased high-end F&B spend which could help to offset weaker rooms performance during a downturn.

Roger A. Allen, ISHC, Group CEO, RLA, said: "Investors and developers must have a more hands-on approach to understanding if and how their property will offer wellbeing and how it will influence the performance of the property, rather than it being a bolt on.

"We're meeting investors and developers that are very eager to invest but don't understand the important metrics behind it. There is no data out there showing the bottom line performance. The pandemic has created an opportunity for investors to really understand the sector and make decisions based on facts and understanding as a result."

Hotels with significant wellness offerings generated nearly 43% more in total revenue per available room on average compared to hotels with no wellness, according to data from HotStats. The difference was partially due to a 9.2% uplift in average daily rates, in favour of wellness hotels.

The study illustrated that properties with extensive wellness operations benefited from 20% higher ADR and generated 48% more in average revenue per room compared to hotels with a minor wellness operation.

The changes to ADR illustrated the wider impact of wellness on hotels, as Michael Grove, Managing Director, EMEA, HotStats, commented: "Interpreting the data from different points of view is important, in particular when evaluating very different business models and isolating the performance impact of a certain part of the business. The wellness offering is not a separate entity and therefore the holistic approach to data analysis and the wider strategy is key to understanding the true output."

Gross operating profit per available room at hotels and resorts tended to be higher when a significant wellbeing offering was in place and when performance was under pressure, wellness was seen to provide a hedge.

David Harper, Managing Director, Leisure Property Services, said: "When the economy is less strong there tends to be less evidence of outperformance in GOPPAR growth, but managers do tend to refer to the safety net that such facilities have, allowing them to avoid decline more easily than similar properties without such facilities."

Investors were advised to be wary about adding extra cost which could hold profits back. Hotels with significant wellness offerings saw lower operating profit conversion than those with minor or no wellness and their gross operating profit margin was also narrower.

Allen said: "There is great growth potential from the sector, but investors face challenges in assessing the overall value of the wellness offering and a transparent IRR. Wellness and wellbeing investments in the hospitality industry require the same scrutiny as any other real estate transaction."

Major wellness hotels and resorts generated nearly 8.9% more in average F&B revenue at their restaurants last year than those properties with smaller wellness. This was attributed in part to many hotels and resorts with extensive wellness operating in the luxury category, where discretionary spend was usually higher. The share of food-only revenue in total hotel revenue at properties with major wellness was almost five percentage points higher than at properties with no wellness offerings.

Jason Wischhoff, Managing Director at Benihana, Japanese Teppan Steakhouse, part of Minor International, said: "F&B income streams are ever more important in remote locations, while providing a range of F&B offerings is certainly vital to attracting a defined target market. Furthermore, the impact of F&B performance is particularly influenced by the increased demand and extended length of stay at wellness and leisure orientated hotels during the off season."

A wider leisure offering helped push cost efficiencies for major wellness hotels. The profit conversion rate of leisure departments at properties with extensive wellness was almost 15 percentage points higher than their smaller rivals and payroll expenses at properties with major wellness were less than 40% of leisure revenues and were about 7.5 percentage points lower than those at hotels with relatively small wellness.

More demand from consumers had seen wellness evolve into more specialised offerings, including an increased focus on outdoor activities.

Allen said: "There is a greater magnifying glass on the specifics. The COVID-19 era has bought with it increased interest in personal wellbeing. That breaks down into so many segments and what the micro goals of individuals are – whether that be mental wellbeing, becoming more spiritual, living longer – people are looking for the specific interest that appeals to them. The wellbeing success stories will provide an offering that relates to this increased consumer awareness in health and wellbeing.

"Hotels will have to be a lot more creative with their programming and the offering. Wellbeing has evolved beyond the physical activity – the passive relaxation. Wellbeing today is an active stimulation – the learning of a new skill, for example - and provides inspiration for both mind and body. It is much more than simply having a massage or running on the treadmill in the hotel gym.

"Investors and operators will need to be much more pioneering when considering what their property will represent in terms of a wellbeing experience. It's not a black and white department – wellbeing straddles so many departments within the offering. A holistic approach and philosophy is required."

Drinks sales plummet to a third of last Christmas

Ongoing restrictions have driven drinks sales down to just a third of last year's levels, CGA's latest Drinks Recovery Tracker shows.

Across Britain, outlet level sales for venues trading in the week to last Saturday (12 December) were down by 67% on the same week in 2019, with restaurants (down 75%) faring worse than pubs (down 64%).

In the first full week of the new tiered system, England's performance (down 66%) was only fractionally better than the British average. Outlet level sales were slightly up on the previous seven days, when England was released from full national lockdown, but with the vast majority of venues located in Tier 2 and 3 areas, operators were severely compromised in their trading.

Conditions were even tougher in Scotland, where drinks sales collapsed by 82% on the same week last year.

Although some authorities slightly eased their restrictions to allow sales of soft drinks, overall sales only just passed the previous week's levels. Wales was hit hardest of all, with year-on-year sales down by 87% following a new ban on alcoholic drinks sales and an order that venues must close at 6pm.

Trading restrictions are having a savage impact on sales in what should be a bumper month for restaurants, pubs and bars," says Jonny Jones, CGA's managing director, UK and Ireland. "England's tiered system effectively spells lockdown for pubs and bars that rely on drinks for the majority of their sales, and operators in Scotland and Wales face limits that are even tougher.

It is clearly going to be a bleak Christmas for many drinking-out operators, though with vaccines rolling out there is light at the end of a long tunnel. If hospitality can get the support it deserves, they can help to lead the UK's economic recovery in 2021."

Early closing around Britain punished spirit sales, which were down by 79%, the Drinks Recovery Tracker shows. Alcohol restrictions meant soft drinks' sales were better at 58% down, and wine (down 52%) was stronger than beer (66%) and cider (down 71%) because of the emphasis on meals.

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For more information contact the HOSPA Professional Development team at **education@hospa.org** or visit the HOSPA website at**:**
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To enrol for the March 2021 click to:
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We are extremely grateful to the Savoy Educational Trust for their support in funding the development of this programme.

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