THE OVERVIEW

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Cloud atlas - revenue managers find their way

Divided loyalties - tempting the consumer

Taking the pill - the tablet revolution

Welcome to THE OVERVIEW

Dear members,

It never rains but it snows and the last month has seen members hit by customers who would rather stay in by the fire, according to the Coffer Peach Business Tracker. The silver lining seems to be extra time to spend thinking about the increasingly-complex VAT regime, as PKF explains later in the issue.

Should you be able to tempt anyone to dig themselves out, the chances are they won't like the service, but if they do, how can you best leverage their loyalty, Beacon asks?

There's no denying that, as the new financial year approaches, HOSPA members are facing challenges filling the gaps that the Olympics plugged last year. However, the sun is shining and there are hopes that this year there will be a summer. Despite results from Thomas Cook and TUI suggesting that the search for warmth will take many more overseas, the ongoing downturn is likely to keep the staycation in play, providing opportunities around the country.

I would like to thank HOSPA members for the warm welcome I have been given and ask you all to get in touch with your ideas for what you want to see in The Overview. You can get in touch with me via email (below) Twitter @Hospatweets or via the website Hospa.org.

I look forward to hearing from you,

Katherine Doggrell

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In March's issue...

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BAHA Moving Forward

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www.hospa.org

Taking the pill - the tablet revolution

Carl Weldon
CEO, HOSPA

The recent Hospitality Show in Birmingham showcased how some of the latest technologies could be used by the hotel sector, to increase efficiency and make hotel stays that bit better.

A major shift that has occurred in the hotel sector in the past five years is that system suppliers have rewritten their legacy PMS systems specifically for the cloud. Furthermore, operators now want to take a more holistic view of their customers we at HOSPA could even be calling PMS systems Guest Management Systems - GMS.

The challenge for operators is how they integrate the various systems to achieve this, whether for EPOS, loyalty, spa or golf. Operators have a choice of whether to bolt together best-of-breed systems or to find a system that integrates these individual parts. It's an ongoing challenge, but the future is looking increasingly integrated.

The advent of cloud-based technology has also meant that content can be delivered seamlessly to digital signage. Not only are some of the latest designs really attractive, but technology has enabled personalisation, which will only increase in the future. It is now possible to have signs that communicate with the RFID chips in room keys, so the messages that appear are tailored to appeal to a guest's individual preferences. This is taking customer relationship management into a different sphere while broadcasting has become nanocasting – it's a little bit like the film Minority Report!

I also expect the iPad and tablet revolution to continue. They have moved from being a novelty gadget to become an essential device, and prices have plummeted - I recently saw tablets on sale for $59.

Increasingly guests and diners will expect to be able to access information on their tablet from menu details to the ability to check-into a hotel. As one senior IT director in the US said last year: *"Everything looks better on a tablet!" It may even bring Revenue Management to F&B outlets.*

Tablets are only as useful as the network they're on and, to enable this, wifi services will have to be brought up to scratch. This is more of a challenge for hotels – where guests today rate a good wifi service as the third most important factor behind a clean bed and nice bathroom. Hoteliers need to carry out a proper survey of their property to ensure access points provide internet coverage for guests throughout - I stayed in a major London hotel in January and could not get wifi signal due to my room location!

With the demand for bandwidth increasing, the dilemma over when or if to charge guest for wifi will continue exercise managers in 2013. Whatever they choose, hoteliers should be aware of the old adage: "Bad free wi-fi is good for no-one."

I also believe the days of hotels 'revenue –sharing' with their wifi provider to avoid investment are probably limited now. Having said that – Occupancy Based Pricing – OBP is on its way now for major IT Systems Investment (Networks, Telephony etc) – will it catch on?

Next month, I will be discussing a panda, a penguin and what this has to do with hotel bookings, OTAs and Google...and how it affects all HOSPA members.

These thoughts have also appeared in Caterer and Hotelkeeper

Nina Gold
FM Operations

Nina focusses on delivering top performing candidates into operational roles for clients in hospitality around the world, with a particular focus on sales and marketing roles. Her network, knowledge of the industry and most importantly consistent ability to deliver are key factors which lead to clients bringing repeat business to her. With a background which includes key roles in five star London hotels and a major cruise liner company, and also intensive training in Executive Search, Nina understands hospitality operational management. Nina initially trained in her native Germany where she also achieved a vocational diploma in Hotel Management.

Why Bother with Customer Loyalty?

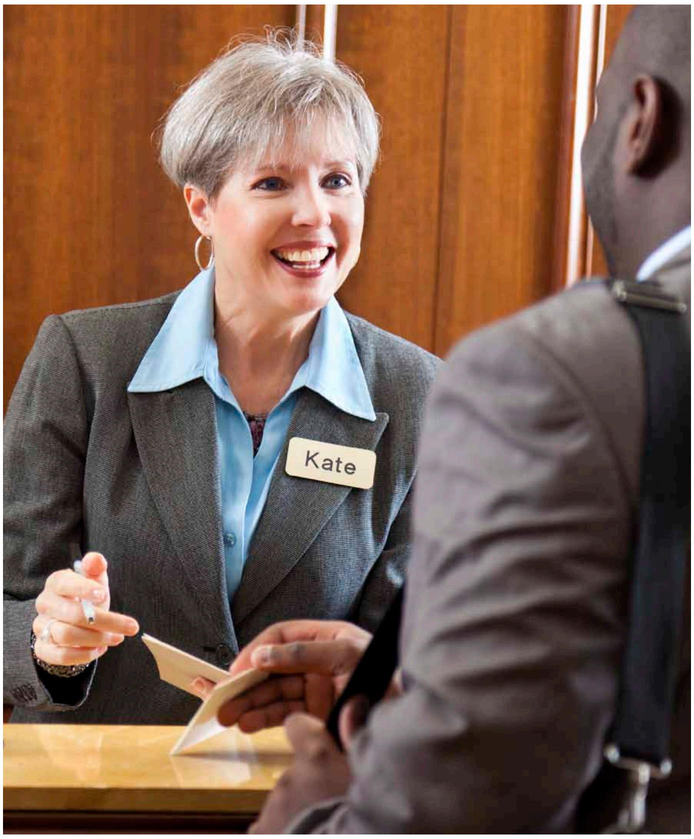
Nina Gold is feeling disloyal

Does customer loyalty really matter? Probably not if you run a coffee shop on Waterloo Station – no matter how bad your coffee, you'll always catch some poor tourists. Could you survive, though? However, if your coffee was good and quickly served then regular commuters would pick up a cappuccino 'to go' as they waited for their train home. Your sales volumes would be much higher, more stable and the difference in profitability would be dramatic. It would become a habit for many of them – that's loyalty.

It is a small example and a good illustration of the importance of product quality and service efficiency, but it doesn't really bring out the major marketing benefit of treating customer loyalty seriously – that the marketing cost element in a sale to a regular or loyal customer is next to zero. The cost of acquiring new customers is relatively massive and is where most of the marketing budget is eaten up. There is an associated benefit too: loyal customers will talk positively about the business. We all know how valuable word of mouth is - and that negative comments carry ten times as much weight as positive comments. Nowhere is this more important than in the hospitality industry, where loyalty is on the decline and yet word of mouth – especially on social platforms – seems to be everything. As a manager in your business, this should be on your radar.

Adapting Loyalty to Modern Times

There was a time when we carried plastic loyalty cards for car rental or our favourite retailers, but now we carry a customer number in our phones or the data is quickly retrieved at the point of order/sale using a postcode. We no longer carry wallets bulging with plastic



and many people are fatigued by loyalty schemes. That doesn't mean you should ignore them, however.

Buyers – whether in B2B or B2C markets - will check competing products, services and prices online, using price comparison and search sites such as Expedia or confused.com; even more, they will check your business reputation using Google or consumer sites such as moneysaver.com. And we all know about TripAdvisor. Disloyalty is disaster.

Can you Expect Loyalty from your Customers?

How does your business stack up online? Do you have a strongly positive reputation online, is your product and/or service so good that a customer will take the trouble to write a recommendation? Can you multiply the loyalty of every positive review and attract additional loyal customers? The exponential effect is enormously powerful – if you can trigger it. With a mobile-optimised website, a sound online presence and a good customer offering, well designed loyalty schemes are delivering more profit than ever before. People really talk about great loyalty schemes.

Loyal Customers are Special

Make those loyal customers feel extra special by putting back some of your marketing saving into cementing their loyalty even more strongly. Whatever your offering is – whether it is a basic room only hotel package or five star suite - there are many ways to demonstrate your appreciation of your loyal customers. Free wifi and rapid check-in are becoming the norm so you need to think outside the box – yes literally, outside the hotel or restaurant. Link up with other businesses - whether you are locally based or an international chain – to link your schemes or reciprocate customer visits.

You, the Customer and You, the Competitor

If you don't have one, how can you set one up and make it work for you? If you do have a scheme, how can you improve it? As a reader of this article, you are closely involved in the management of a business. However, you are also a customer outside of work and probably a member of one or two loyalty schemes yourself. Think about your own memberships and ask which have been the best loyalty schemes you've belonged to. Why were they the best? What can you learn from them and apply to your own business? Think about the bad ones too. Differentiation is important even in loyalty schemes. What do your competitors' schemes look like and can you differentiate your own from theirs?

Building the Best Loyalty Scheme

Your loyalty scheme project should have a clear leader – some might use the word 'champion'. Money invested in sound initial research will pay dividends in delivering maximum ROI from your loyalty scheme.

Strategy is a hackneyed word, but it is just as important in a loyalty scheme as in a takeover. Why? It is simply because with a loyalty scheme you should be addressing your most valuable customer segments – whether you have segmented them for immediate profit reasons or as a growth segment. Get it wrong and those segments could become disillusioned. So, identify your segments carefully and treat them well.

We mentioned checking your competitors, but what about checking with your customers and finding out what they would like to see in a loyalty scheme? It is usually the case that 'lower prices' is well down the list of their 'wants'. Different segments will have distinctly different views.

Who is your Customer?

In the B2B sector of the travel and entertainment business, it is still often the case that travel and accommodation is booked not by the actual service consumer, but by a personal assistant or central travel office. It is not easy to make these 'customers' more loyal without compromising their integrity or employment conditions and falls outside the scope of formal loyalty schemes. However, what it does mean is that the ultimate consumer may not benefit from a loyalty scheme – and neither will you. So, understanding your customers and their segments is essential. To do this you need the data, so make sure you are capturing and storing the data you will need. For example, if you run a hotel, do you store a customer's room service orders and restaurant bills?

Tiering & Slicing

This is nothing to do with wedding cakes, but is a very important concept. Will you 'tier' your scheme (typically gold/platinum/diamond)? This is a great way of multiplying loyalty, because many people – customers – will be motivated to attain the next tier – and yes, they do that by spending more money with you! Will you slice your scheme – that is, have different presentations and features for different segments, even founded on their 'wants' list or buying behaviour? For example you can segment by: ‘budget conscious’, ‘impulsive’ and ‘status conscious’ slices. You can then tune your schemes to your segments.

The most sophisticated schemes even offer ‘self-service’ to the scheme members, allowing them to tailor their own loyalty benefits package, with other features such as consolidation and / or points transfer (for example with airline alliances). They are also capable of delivering cross-segment offers.

Continuous Improvement

As with all marketing, testing is essential and with loyalty schemes it should be continual, coupled with scheme improvement. With today’s systems it is very easy to track loyalty card usage and even calculate a ‘profit per customer’ delivered for the scheme. What you want to avoid is ‘loyalty scheme fatigue’ so constant measurement and regular tuning is essential. Keep your scheme fresh and introduce one-off scheme offers for particular segments. As an example, a hotel can make a short notice (‘last minute’) offer to an ‘impulsive’ segment if there is a drop in room yield forecast.

Most people today are used to regular change, though they might not always like it. Make change easy for them – even offering modest rewards for getting them to accept change as your scheme evolves.

Ten Golden Rules

Here are ten golden rules for building a loyalty scheme that delivers effectively to you and your customers:

1. Appoint a loyalty champion.

2. Never miss a chance to collect data about your customers’ buying (and scheme usage) data.

3. Analyse your customers’ behaviours and segment. Remember that there are several useful ways to segment your customers and that this is a dynamic process.

4. Design a scheme which enables customers to climb a loyalty ladder.

5. Use the information provided by rewarded behaviour to tune your scheme with more relevant or satisfying rewards /features/benefits for particular segments.

6. Keep it simple – avoid being bureaucratic and building rule-bound schemes – these give customers brain-ache – and loyalty fatigue. You must make the scheme easy to use – and worthwhile.

7. Test, measure and continuously improve your scheme.

8. Encourage your loyalty scheme members to encourage their friends or colleagues to join your scheme.

9. Above all, remember that every customer is an individual and that personalisation of your service and product will strengthen their loyalty tremendously.

10.Commit to loyalty and stick with it through thick and thin. Here’s an actual example of what can go wrong:

I held a loyalty card for a local independent coffee shop that I enjoyed to use, ahead of the chain brands, collecting points to gain a free coffee. Imagine my disappointment when I came to claim my free coffee, only to be told that the business had changed ownership and my ‘free coffee’ could not be honoured. I’m now a lot less loyal than I was!

Loyalty is a two-way deal, and my damaged loyalty will take a lot to repair. How many other customers felt the same way? How loyal are your customers?

Service - but what is there to smile about ?

Howard Field and Stuart Collins offer up their tips on tipping

Howard Field
International hotel specialist advisor, HOSPA founder

Stuart Collins
Partner, PKF (UK) LLP

The authors would welcome comments on this subject from readers and their contact details are shown below.

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The hospitality industry loves bylines, and none is more endearing than 'service with a smile'.

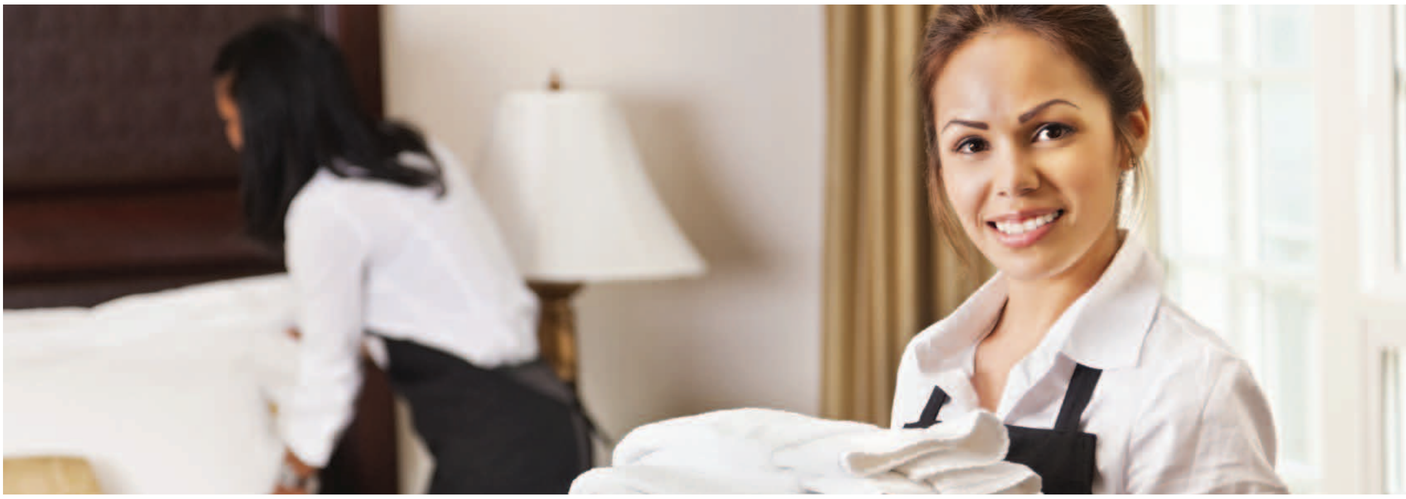
The whole subject of service charge and tipping needs to become more transparent, simpler to understand, and to result fair practice, so that the public, the employees and the business interests are all aligned. This can become an emotive subject, so some objectivity is intended.

Here is a view on some of the accounting and other business aspects. This has been compiled by the authors from a more comprehensive report being prepared on the subject which will be published shortly.

What is a service charge ?

There is no standard definition for the hospitality industry of what is a service charge. 'An additional fee charged for a service for which there has already been a basic charge' is a general if not very helpful attempt at this. This can be distinguished from a gratuity which is an amount added voluntarily to the bill by the customer, or a tip which is a cash amount handed directly to staff or left at the table for them.

In the minds of the public, service charges are sometimes thought of as the equivalent of tips or gratuities - especially when they are stated as optional or discretionary. The customer may feel misled if the relevant staff, when asked, say that they do not receive all or any of the service charge.



The lack of a clear definition and standard treatment within the hospitality Industry has allowed businesses to create a minefield of applications and uses of service charges.

The key accounting considerations for the hospitality industry

Key factors which affect the nature and resulting handling of service charges can be summarised as follow:

***1** Whether or not they are described as optional, a service charge is an amount included in or added to bills by the business, not the customer.*

***2** Designating a service charge as optional or discretionary is a method of avoiding the imposition of VAT. So long as it is not a compulsory charge, it is free of VAT.*

***3** UK (and EU) law has established that a service charge added to a bill by the business belongs to the business. This legal position also applies to amounts added by the customer to a bill paid by credit/debit card or cheque.*

***4** Minimum Wage law requires the business to demonstrate that it does not use the income from service charges or charged tips to pay the relevant wages.*

The official guide to VAT (HMR&C Notice 700) states that 'If you make a service charge it is standard-rated. If a customer freely gives a tip over and above your total charge no VAT is due on the tip - it is outside the scope of the tax' . This guide is not focused specifically on hospitality businesses. The separate guide to Tips, Gratuities & Service Charges (Ref E24(2010)) refers to 'catering and service industries'.

To explore the subject of the UK taxation of service charges, tips and gratuities, and troncs more fully, readers are encouraged to consult the HMR&C publications and specialist advisors. There is a guide also available on the website of HOSPA (www.hospa.org).

Hospitality management accounting and benchmarking issues

Here, there are technical issues and accounting policies to consider.

There is no common practice as to whether service charges are treated as part of the income of the business, or as an amount to be credited against payroll or other costs. Given the legal interpretation about who owns service charges, logic would say that this should be part of the business income. The Uniform System Tenth Revised Edition only addresses Service Charge in Food and Beverage, stating that retained service charge income should be treated as Other Revenue in the Food and Beverage Department, and not used to offset any costs. If the business uses a departmental allocation for its management accounts, the income should be allocated to the departments from which it originated (such as Rooms, Food & Beverage, or Other Operated Departments, in the Uniform System of Accounts for the Lodging Industry).

Whether or not the service charge income is fully distributed, and whether or not a tronc system is involved, does not affect what should be shown in the business accounts if they are to reflect what is actually happening. An accurate reflection of employment costs should include all elements of pay including any distribution of service charge.

Using service charge income as a reduction of any other costs is also a distortion. What is the difference between allocating the charge to a customer for a steak as a reduction of food cost, and allocating part of the service charge income against any operating cost ?

Whatever policy is adopted, there is no logic in service charge income being credited against payroll or any other costs - or being held in the balance sheet to use as some form of slush fund.

As for benchmarking and operating performance, there seems not to be any basis for measuring achievement, either in terms of revenue and customer spend, or of cost of sales and expense ratios, without including service charge income.

Other business issues

The costs of many hospitality businesses are impacted by arrangements for rents, franchise and management fees linked to income. The way in which income is defined for these purposes needs to specify how service charge income is to be treated. Similarly, how commissions and discounts are based may also be affected by service charges.

Changes in practice may require renegotiations that are not always easy to achieve.

Steven Henderson
Beacon MD

Following the consumer online

Steven Henderson, Beacon MD, on the importance of embracing e-procurement

With the economic outlook remaining uncertain and costs being managed closer than ever before, it's surprising that there are still many businesses in the UK hospitality sector that are not yet taking advantage of the benefits that e-procurement, or online buying, has to offer.

Consumers have well and truly got on board the 'online buying train' (or e-procurement in business-speak), sourcing everything from groceries, entertainment and fashion to electronics and furniture. Not only are they happy to buy from UK suppliers, many consumers will even search the web for the right product and price, regardless of where in the world it will be sent from.

As consumers, we understand the benefits. We can track deliveries. We can see our purchase history. We sign up for special offers and to find out when products become available. We specify delivery instructions, update our customer information settings, and a whole lot more besides. So why do so many businesses in the hospitality sector still buy everything the way they have done for decades?

It is estimated that only 8% of hospitality businesses currently create purchase orders via an e-marketplace (Internetweek stats), which leaves a lot of scope for improving efficiency. Most organisations still use their old tried and tested methods of calling suppliers, tackling invoices manually, and physically checking all re-order quantities. Chef, the housekeeper and bars manager all have their favourite suppliers that they talk to daily or weekly. Therefore, perhaps the biggest reason why businesses are only slowly adopting e-procurement is down to perceptions of what e-procurement means.

Perhaps the biggest perception is that online buying will change the personal relationships that many people have with their suppliers. Consumers buying on the web have never had the same types of relationships with suppliers that we have developed from calling to place daily and weekly orders, so does that explain one difference? The reality is that e-procurement is an enablement tool that doesn't change buyer/supplier relationships.

Head chefs are sometimes the loudest opponents of e-procurement. They are used to calling up to get special deals and finding out about products. However, six months after it has been introduced, chefs are often the biggest supporters of online buying. They realise they can still get special offers, check prices, and find out product information but they can also track issues like late deliveries, product complaints, stock run outs, and so on. In other words, they now have effective data with which to manage the supplier relationship. They also realise how much time they have freed up for themselves.

Another perception is that online buying can mean losing control with staff buying the wrong products or exceeding budgets. The reality is that the reverse is true – product ranges, prices, purchase authority, volumes, budgets, and many more parameters can all be set ensuring that management actually have a greater control of purchasing and costs than ever before. E-procurement eliminates rogue spend by increasing visibility and purchasing compliance. The web-based software system automatically disseminates information on what to buy where and in the process of ordering, spend data is collected, which gives management key data to control costs and improve efficiency. All very appealing to internal stakeholders like finance, audit, operations and legal.

So, in the same way that the early adopters of social media were consumers and most businesses fell into the next early majority category, will the same be true for business e-procurement? It will be interesting to watch but for businesses looking carefully at their costs, the benefits are there today.

Nick Warner
VAT Partner at PKF (UK) LLP

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Four weddings and a VAT hike

Nick Warner, VAT Partner at PKF (UK) LLP, explains the VAT change to rooms hired for the purposes of catering.

Before October 2011, the supply of a hotel conference room where the hirers brought in their own caterers was regarded as VAT exempt, unless the hotel had opted to tax. However, HMRC changed its mind and decided that this should be treated as a standard rated supply and reported this change when Notice 709/3 was re-written in October 2011. Unfortunately, this item was not highlighted in the otherwise helpful 'What's Changed?' section which referred only to unrelated updates of September 2003 and August 2006. Recognising this communication shortcoming, HMRC issued Revenue & Customs Brief 02/13 on 22 January 2013, highlighting the change, and confirming it would in practice only take effect from that date.

Although hotels that have opted to tax are unaffected, this does impact on hotels and similar establishments that hire out ballrooms and conference rooms, where they allow hirers to organise their own catering (in that room): other venues competing with hotels are not affected. This type of room hire is a key component to the hotels' profitability because there are few or no overheads associated with the hire, so the profit goes straight to the bottom line. The most obvious example of this is a wedding reception where an outside caterer provides the food.

But is this new interpretation correct? Notwithstanding the fact that the everyday definition of 'accommodation' means 'lodging' rather than a conference or a wedding party, VAT applies to accommodation that is provided 'for the purpose of a supply of catering'. It was always assumed that the hotel had to supply the catering in order for VAT to apply to the room hire. This is still the superior interpretation for the reason that, if the hotel supplies both, it will know at the time that the room is going to be used for a supply of (its) catering.

The application of this change also raises some questions - if family members bring in their own food, this may be 'catering', but is it a 'supply' in the VAT sense? Is it only at the time of entering into the contract for the room hire that the 'purpose' must be considered – what if its use subsequently changes? Suppose the plan is to eat al fresco, but rain means you end up inside?

Where the change causes a financial problem, however, is when a hotel has taken a deposit for hire of a room, with the balance payable after 22 January 2013. Typically, the deposit for a wedding can be significant, with either stage payments or a final payment a few weeks before the event. These payments will now attract VAT at 20%, which in many cases can be passed on by the hotel, and could represent an increased cost for dads saving for their daughters' big day.

Unfortunately, even though HMRC might otherwise have been inclined to help by taking a lenient approach, past case law and current practice gives it little room to manoeuvre. The key point is that the supply of the room is made after 22 January 2013, so full payment would have to be made prior to this date for exemption to have applied.

The only challenge that could potentially be made is under the long-standing twin concepts of 'legal certainty' and 'legitimate expectation', both of which have been developed and established through previous case law. The principle of legal certainty 'requires that rules imposing charges on the taxpayer must be clear and precise so that he may know without ambiguity what are his rights and obligations and may take steps accordingly'.

There is clearly an argument that the changes were not 'clear and precise' until 22 January 2013. Hotels that entered into contracts with customers prior to that date would have had a 'legitimate expectation' that payments made or to be made under such a contract would be exempt from VAT. A taxpayer taking reasonable care to acquaint himself with the original rules issued in January 2002 would have been made aware of the new 2011 Notice, but might well have concluded that the only changes were those referred to in the 'What's Changed?' paragraph. It is regrettable that HMRC's discretion to consider a waiver of output tax in such circumstances was effectively dispensed within January 2012, as this remedy would have been much simpler than any potential legal challenge.

Finally, for clarification, these scenarios have <u>not</u> changed:

- ***a room at a hotel supplied for a conference or meeting is exempt (subject to an option to tax)***
- ***the same room is supplied, but tea and coffee is provided, and is still exempt***
- ***the room is supplied, but the delegates leave that room and eat in the restaurant – here the room hire is exempt but the meal standard rated.***

Clouds ahead

Lee Jamieson explores how revenue management has found itself at the eye of the "big data" storm.

In recent years, hotel technology has undergone a period of convergence: PMS, reservation systems, guest preference databases, social media platforms and e-marketing systems are finally sharing data in a meaningful and actionable way.

The coming together of these once distinct disciplines has heightened the importance of revenue management because revenue teams are analysing the essential data needed by other departments to streamline their own operations.

In short, in this age of technological convergence, revenue management has become the lifeblood of the hotel organisation.

"Over the past decade, revenue management has arguably grown into one of the most developed and evolved departments in the hotel industry," explained IHG vice president for revenue management, Brian Hicks. "Some of this development is due to an increase in the availability of data and the quality of the analytics. Marketing, sales and distribution departments are now looking to revenue management to inform and advise on demand and pricing decisions."

Culture Shift

Many of the larger hotel groups have realised that a cross-departmental approach is essential if they wish to drive their revenue management strategy throughout the organisation. There are already signs that the cultural shifts and organisational changes required to deliver a group-wide focus on revenue management is already underway with some senior leaders responsible for revenue management beginning to take on wider responsibilities under their remit.

"In today's fast-changing market, a good revenue management strategy is crucial to increase market penetration in both occupancy and ADR," said Kempinski Hotels, vice president for digital sales and distribution, Riko van Santen.

"But creating a company culture that understands and is hungry to optimise their revenue dynamics takes time and commitment. So, the strategy should focus not only on what results need to be achieved, but also on how results can be achieved sustainably.

"Rather than simply using revenue management as a tactic to achieve higher yield, hoteliers should adopt it as a 'strategic focus' – it can therefore positively influence the company's balance sheet and shareholder value."

Poles Apart

With some hotel groups really pushing revenue management up the agenda and into other parts of the organisation, a chasm is opening up between those that have embraced revenue management and those that have not.

"Revenue management has evolved quite significantly over the past five years," explained Apex Hotels group revenue manager, Clinton Campbell. "So too has the role of the revenue manager. "Where the strategy was previously centred entirely around the basic revenue management decisions, today there is a need to expand this and consider the ever changing business mix and the channels which support them."

But Campbell is concerned that not all hotels are keeping pace with the strategic changes that need to be made. "I'm not sure that all hoteliers have a solid strategy in place. I hear all too often of hotels that are still reactive revenue managers – making pricing adjustments based on what their competitors are doing."

Big Data, Big Profits

But why are some hotel groups positioning themselves around a technology-driven revenue management strategy?

One argument is that the convergence revolution is only in its early stages. Hoteliers that can position themselves ahead of the curve and be ready to capitalise upon emerging technology will prosper over the next five years.

Convergence will usher in the age of so-called "big data".

Essentially, the term "big data" simply relates to the potential treasure trove of customer and market information that exists beyond the hotel's guest history and transactional data: social media, blogs, emails, photographs, guest reviews and so on.

Technology is moving towards being able to sort and analyse this unstructured data and identify profitable new insights. One solution provider, JDA, claims to be ahead of the curve with big data, as vice president Anand Medepalli explains:

"The next stage is to absorb all of this unstructured information from sites like Facebook and Tripadvisor, so revenue managers can begin to explore this data – even if the algorithms have to catch up. "We talk about new technology finally being able to bring together all of these unstructured data streams – but here's the irony: technology has been doing this for customers for years! Hoteliers are just playing catch up!"

With the ability to harvest this information already in place, van Santen believes that we are entering a phase where guest and brand loyalty can be forecast by market segment or lead time, for example.

"Total Revenue Management will study guest behaviour at all points of contact – before, during and after stay – through various channels of engagement, not only the hotel or chain's own channels," he said. "Hotels already have means of measuring the influence levels of each guest, and this will add a new dimension in the revenue management algorithm to optimise yield per available room. "Interestingly, email and social media interaction is already being tracked, but not yet fully enough to play a role in optimising revenues."

Too Much, Too Fast!

Concerns remain over the manageability of big data for revenue teams in making clear business decisions.

The sheer amount of data coming in could potentially be overwhelming, which means that revenue managers become much more reliant on automated solutions.

"I think that the revenue tools will become more sophisticated over the next five years and possibly reduce the need for as much human interaction," said Park Inn by Radisson director of revenue optimisation, Gail Peters. "The need for analytical tools will continue to grow, with management data being available on demand, but the key is to ensure you spend the time and have the skills within the business to fully use such data in setting strategies and reviewing results."

Human Touch

Behind any revenue management system is a good, well-trained operator providing a human context to the raw data. In this sense, revenue management technology is a decision making aid.

"A revenue manager's intuition can sometimes be more insightful than a data point," said IHG's Hicks. "Revenue management is both an art and a science – and all art requires the human element." The balance between levels of automation and human intervention vary from hotel to hotel, but all agree that the role of technology is growing.

"IT for revenue management is continuously growing," remarked Macdonald Hotels and Resorts revenue director, Stephen Dodman. "In fact, I've seen it grow faster in the past two years than ever before!

"You will always need human knowledge in revenue management – the system has no way of knowing about a big forthcoming event, but, that said, you do have to accept that your system is booking 365 days per year. You have to have confidence and trust in that system. "At the end of the day, the software is performing complex calculations on multiple streams of data – something that goes far beyond the abilities of the human brain."

New Markets

Whilst talk of big data and evolving algorithms is exciting for larger groups, many smaller hoteliers are disengaging from the debate.

There is a perception from small, independent hotels that they simply don't have the time, need or experience to think about revenue management.

In many respects, this is an understandable point of view: a system designed for tens-of-thousands of rooms is probably far too complex for a small 20-key operation.

Many of the major solution providers have identified this market opening and are developing new platforms to suit. IDeaS Revenue Solutions is one such company that has recently launched a product tailored to this market.

"No hotel is too small to practice smart pricing, and we have created the IDeaS Pricing System (PS) to meet this demand," explained managing director, Fabian Specht.

"Simply put, IDeaS PS enables busy hotel managers to set the best available rates, easily push them into distribution channels and then provide dependable forecasts and reports.

"Smaller hotels often do not have the resources to dedicate a staff member solely to revenue management so the IDeaS PS has a simplified approach and intuitive design to minimize the amount of training and interaction needed to learn and operate the system."

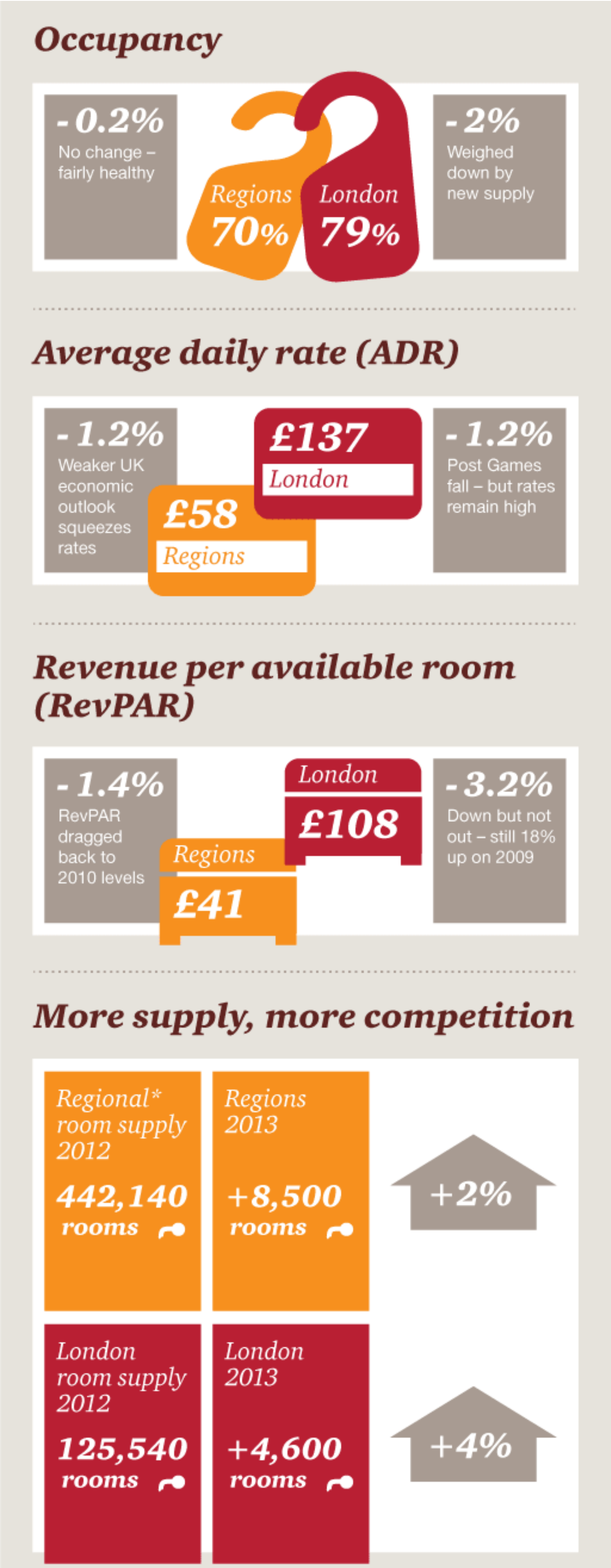
Perhaps part of the problem is that this market segment holds onto a very out-dated view of revenue management – as a specific tool for pricing rooms.

But as we have seen, revenue management has evolved far beyond this. Today, it reaches into the company's many revenue streams and has proven itself to be the key solution to increasing profitability.

It is only a matter of time until smaller hoteliers realise this, as Niels Mekenkamp from Infor EasyRMS concludes: "Many smaller chains and independent hotels don't yet fully grasp the wider revenue management picture and rather than embracing the philosophy within their organisation, they believe it is something that is done by one person in a back office."

"Once hoteliers realise that revenue management is about more than just room revenue and what rate the hotel is selling and they understand it needs the backing of the entire organisation, they will fully embrace it."

This article first appeared in Hotel Industry Magazine.



* Regions excluding London
Charts show absolute trading and percentage change on pervious year

Sources: PwC; STR Global; AM:PM Hotel Database (supply), February 2013
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→ PwC

UK hotels forecast 2013 update

A challenging year ahead for hoteliers

This updated UK hotels forecast reflects our latest thinking on hotel performance in 2013, with the outlook now impacted by weaker UK economic prospects but also supported by a weaker pound. While we still anticipate overall trading declines in 2013, these falls are less sharp for London but more unfavourable for the provinces than we predicted in November. The revised forecast expects UK hotels to continue to struggle to overcome the impact of weaker demand at home and in major inbound markets. This will be driven by: the eurozone crisis; continued cuts in the public sector; an unrelenting squeeze on household incomes and confidence, and further above average supply additions in London and some other UK cities.

Our forecast is now underpinned by much weaker GDP growth expectations for 2013 of around 1% and which is expected to result in an overall 2% decline in UK RevPAR, the hotel trade's crucial benchmark, taking RevPAR to just under £60. While occupancy is expected to fall by only 0.7% to average around 72%, ADR could fall by 1.2% to just under £82. These averages conceal London's star qualities and a more lacklustre performance across diverse provincial locations. (See Table 1) The year hasn't kicked off well and STR Global data for January shows a UK RevPAR decline of 2.5%, driven by a particularly weak performance in London.

London: new supply is expected to shave two percentage points off occupancy in 2013

As a leading global city, London continues to outshine most European cities, with strong trading fundamentals supported by around 15 million annual international tourist visits and 11 million domestic visits. London's star qualities mean it can attract visitors from all around the world, including those from emerging markets whose economies continue to prosper.

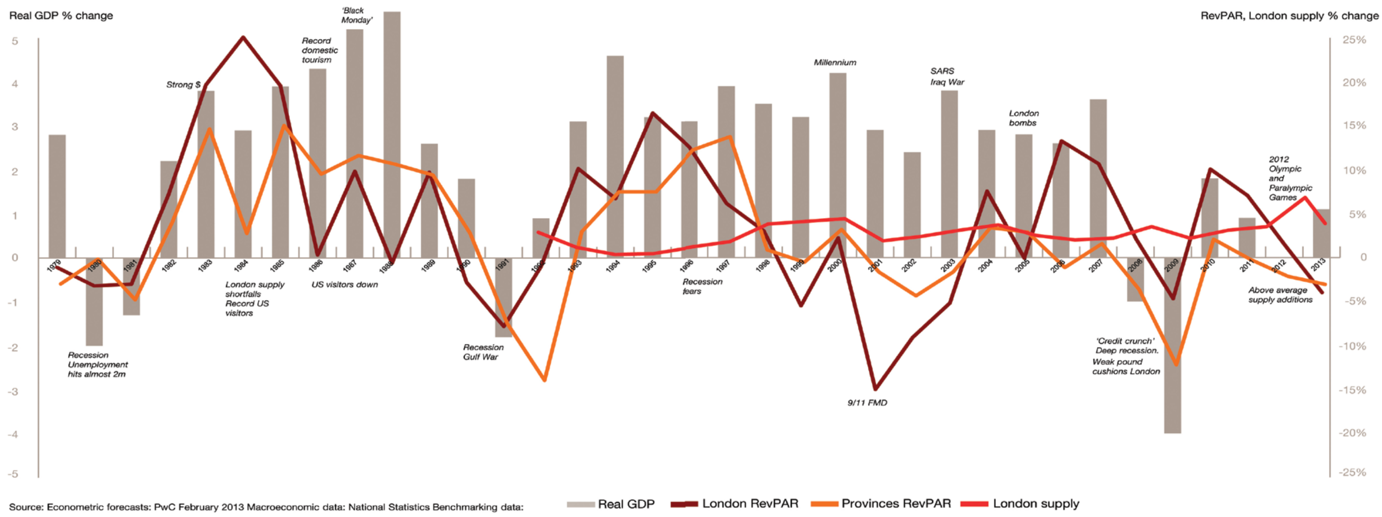
So what sort of a year will 2013 turn out to be? Only a modest increase in tourist visits is expected in 2013 but business visits should be a bright spot as travellers who changed their travel plans because of the Olympics, return this year.1 In addition, tour operators are expected to have put London back in their programmes for 2013, after reportedly leaving the capital out in 2012. A weak pound could also be advantageous to UK tourism and PwC research confirms European consumers cite holidays as their key spending priority this year. On the other hand, lower GDP growth expectations both here and in our major inbound markets is a strong negative, as is the squeeze on consumer incomes; fare increases could also thwart travel intentions. Some tough comparisons with the Olympics in Q3 are also likely to challenge growth rates.

As a result we expect a year of overall occupancy and rate declines, albeit not as steep as we envisaged in November 2012. In the end 2012 turned out well even though Q4 was much weaker than we expected with, surprisingly, ADR falling 2.1% according to data from STR Global. Hoteliers appear to have traded down on rates to boost occupancy.
If we look back further though, average room rates have grown every year since 2003 with the exception of 2009 and, despite the forecast decline this year, will likely end up £23 above 2009 levels. We anticipate ADR will decline by -1.2% in 2013 but with rates averaging almost £137 this remains high by any city standard. Occupancy is expected to fall by 2.0 percentage points to 79% in 2013 making a third year of decline. This partly reflects the steep 6.5% (7,700 rooms) increase in hotel rooms in the capital in 2012, with a further 4,600 rooms set to open this year. A more affordable London is good news for travellers and will help the city capitalise on the positive media spotlight that shone in 2012. RevPAR is expected to end the year at just under £108, 3.2% below 2012 levels but still 18% higher than 2009.

See Tables 1 and 2 and Chart 1 which adds a historical perspective to the trading ups and downs as well as the interaction of London supply growth since 1992.

Chart 1. UK hotels: ups and downs

London supply interaction and forecast for 2013



Source: Econometric forecasts: PwC February 2013 Macroeconomic data: National Statistics Benchmarking data: TRI Hospitality Consulting and STR Global; Supply data PwC and AM:PM database

Provinces: Strong finish to 2012 but weaker economic prospects will make the going tougher in 2013

Outside London, provincial hotels experienced little benefit from the Olympics but saw quite a strong finish to 2012 which boosted overall annual ADR growth by almost 1%. Despite our hopes that the regions as a whole might have turned a corner on rates in 2012, we can't see this pace of growth continuing into 2013, mainly because demand outside London is tied more closely to UK economic growth and weaker UK GDP expectations are likely to dampen performance. Public sector cutbacks are also likely to continue to squeeze demand. Although travel volumes are forecast to enjoy 3% growth in 2013, boosting visits to 32 million which should help some cities achieve a bounce back in 2013, we still don't think this will make a substantial difference to performance in the regions. Domestic tourism faces a challenging 2013. With 2012 having been the second wettest year on record, demand for holidays outside the UK this year is likely to be boosted as travellers look for guaranteed sunshine. In terms of supply, some centres in the provinces continue to see new supply additions as well as sizeable pipelines (around 8,500 rooms are in the UK pipeline in 2013). Cities with large pipelines include Birmingham, Newcastle, Bath and Liverpool. It's likely these new products will make for an even more competitive environment and challenge older hotels.

2012's robust finish means we are starting our forecast from a stronger Q4 2012 and so the latest absolute numbers for 2013 are actually a little stronger than in our last forecast – even though the percentage declines are steeper than previously predicted. We now anticipate only a marginal occupancy decline in the provinces leaving occupancy at a fairly healthy 70%, the same as in 2012. However, an expected 1.2% decline in ADR will take average rates to over £58 and will drag RevPAR down by 1.4%, to £40.57 – virtually the same level as in 2010.

See Tables 1 and 2 and Chart 1

Table 1: UK hotels forecast: how trading could change in 2013

	London		Provinces		UK	
	2012	2013	2012	2013	2012	2013
Occupancy%	81%	79%	70%	70%	73%	72%
ADR (£)	138.28	136.62	58.89	58.21	82.75	81.77
RevPAR (£)	111.34	107.75	41.13	40.57	60.31	59.11
% growth on previous year						
Occupancy	(1.9%)	(2.0%)	(1.5%)	(0.2%)	(1.6%)	(0.7%)
ADR	4.1%	(1.2%)	0.9%	(1.2%)	2.5%	(1.2%)
RevPAR	2.2%	(3.2%)	(0.5%)	(1.4%)	1.0%	(2.0%)

Econometric Forecasts: PwC February 2013
Benchmarking Data: STR Global February 2013

Table 2: Annual hotel statistics for London, provinces and UK 2008-2013 (forecast)

London	Actuals					Forecast
	2008	2009	2010	2011	2012	2013
Occupancy%	80%	80%	82%	82%	81%	79%
ADR (£)	119.40	113.42	122.88	132.81	138.28	136.62
Revenue per Room (£)	94.92	91.22	101.10	108.97	111.34	107.75
% change on the previous year						
Occupancy	(1.6%)	1.2%	2.3%	(0.3%)	(1.9%)	(2.0%)
ADR	4.6%	(5.0%)	8.3%	8.1%	4.1%	(1.2%)
RevPAR	2.9%	(3.9%)	10.8%	7.8%	2.2%	(3.2%)
Provinces	Actuals					Forecast
Occupancy%	69%	66%	69%	71%	70%	70%
ADR (£)	64.07	59.75	58.73	58.35	58.89	58.21
Revenue per Room (£)	43.96	39.32	40.80	41.36	41.13	40.57
% change on the previous year						
Occupancy	(3.5%)	(4.1%)	5.5%	2.0%	(1.5%)	(0.2%)
ADR	1.6%	(6.7%)	(1.7%)	(0.7%)	0.9%	(1.2%)
RevPAR	(2.0%)	(10.5%)	(1.7%)	1.4%	(0.5%)	(1.4%)
UK	Actuals					Forecast
Occupancy%	71%	70%	73%	74%	73%	72%
ADR (£	80.69	75.88	78.01	80.72	82.75	81.77
Revenue per Room (£)	57.72	52.84	56.89	59.70	60.31	59.11
% change on the previous year						
Occupancy	(2.9%)	(2.6%)	4.6%	1.4%	(1.6%)	(0.7%)
ADR	2.9%	(6.0%)	2.8%	3.5%	2.5%	(1.2%)
RevPAR	(0.1%)	(8.5%)	7.7%	4.9%	1.0%	(2.0%)

Econometric Forecasts: PwC February 2013
Benchmarking Data: STR Global February 2013

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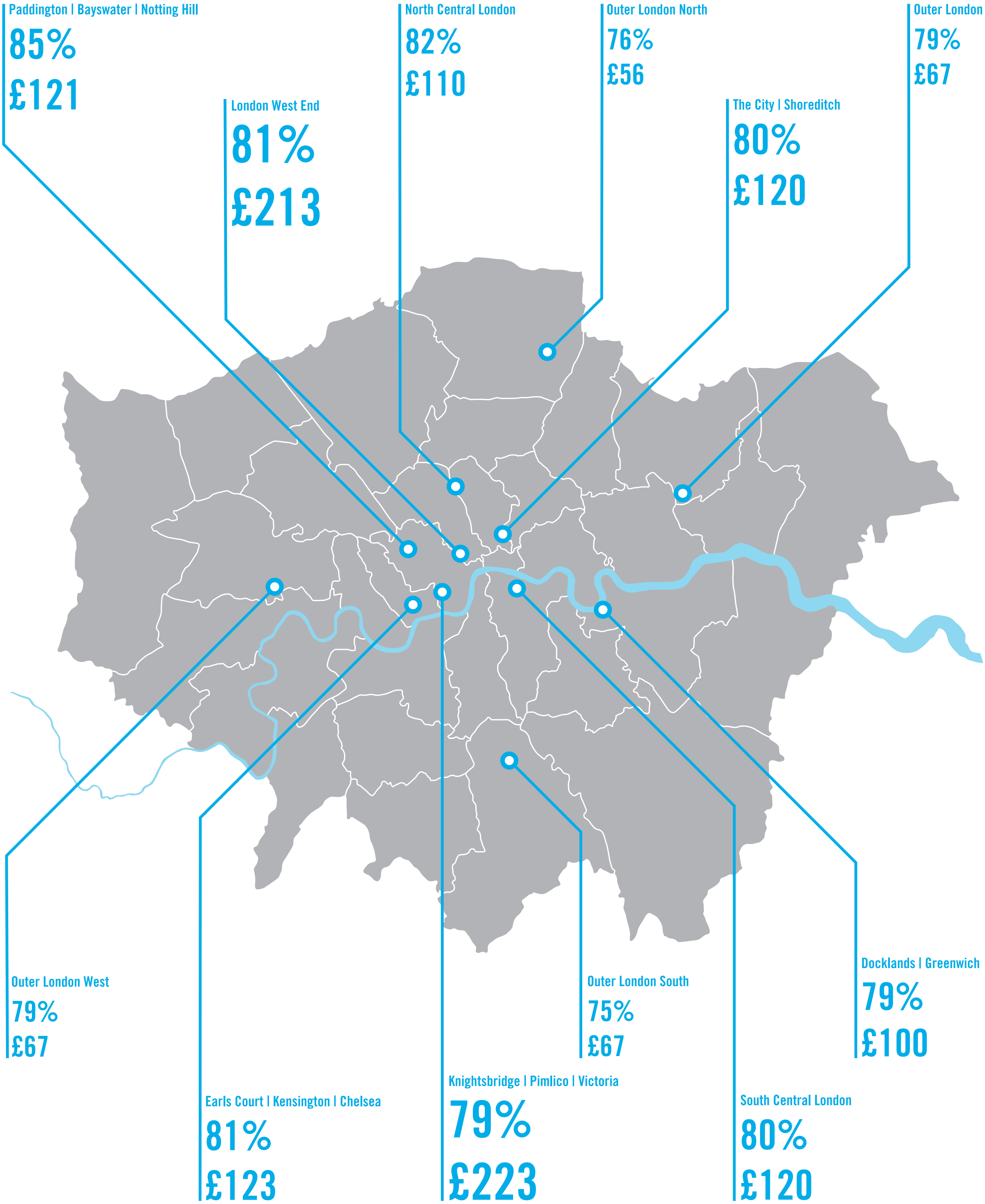
Is the Olympics leaving a gap? Tweet us @HOSPAtweets

STR GLOBAL

London Submarkets

Year end 2012, Occupancy (%) and ADR (£)



During 2012, London played host to the Olympics and Diamond Jubilee with pride. London hotels achieved RevPAR of £112.02 (+1.9%), driven by an ADR of £139.08 (+3.9%), whilst occupancy reached 80.5% (-1.9%). This illustrates the performance of what is defined as Greater London –which extends across the capital, and encompasses the area within the M25. STR Global sub divide Greater London into numerous submarkets. So, how did the various submarkets within Greater London perform in 2012?

All of the outer London submarkets (the areas outside the North and South circulars) had occupancy levels just shy of 80% and ADR was significantly below £100. The outer regions were impacted by their distance to the city centre and the scarcity of high end hotels in the sample. Upper Upscale hotels are only found in the Outer London South and Outer London West submarkets, and the highest class present in Outer London North and Outer London East was the Upscale. There were no luxury hotels in any of the four Outer London submarkets.

Moving into central London, hotels in the Knightsbridge/Pimlico/Victoria submarket achieved the highest ADR at £223, followed by London West End at £213. These are very popular locations within London, and are the location for some of London's most iconic hotels.

The Paddington/Bayswater/Notting Hill submarket achieved the highest occupancy level at 85% due to the proximity of one of London's main stations, providing direct access to Heathrow Airport. In second place was South Central London achieving 84% occupancy, followed by North Central London where occupancy reached 82%, certainly benefitting from King's Cross Station sitting within it. Performance is certainly enhanced in the submarkets which encompass key transportation hubs.

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Snow go for consumers

Eating and drinking-out market tightens after new year

Bad weather took its toll on the eating and drinking out market in January, with leading pub and restaurant groups collectively seeing a 2.4% drop in like-for-like sales against last year, according to latest Coffer Peach Business Tracker figures. Total sales for the 25 companies in the Tracker sample, which include the effect of new openings, were flat compared with January 2012.

"It would have been worse if not for the impact of a good New Year at the start of the month and a bumper last week, which appeared to have been boosted by pay-day," said Peter Martin of Peach Factory, the business intelligence specialist that produces the sector Tracker, the sector's biggest and most comprehensive performance barometer, in partnership with Coffer Group, Baker Tilly and UBS.

"The middle weeks of the month, which felt the brunt of the snow, were all significantly down on the same weeks last year," added Martin.

Both pub and restaurant chains were generally equally affected by the downturn, as was trading inside and outside the M25.

The January trading figures come on the back of a flat December and a modestly successful Christmas holiday period, which saw the six weeks to 6 January producing a 2.1% like-for-like sales increase on the corresponding period 12 months earlier.

"The underlying trend, however, is of a tightening eating and drinking-out market," said Martin. Year-on-year like-for-like sales up to the end of January were ahead just 0.5% on the previous 12 months, with total sales up 3.9%.

"These figures represent a downward trend in the rate of market growth since the summer. In August, year-on-year like-for-likes were running at +2.0%, but have shown a steady decline every month since then," said Martin. "This points to 2013 being another tough and essentially flat year, with little give in spending. Innovative groups can do well but it is increasingly becoming a fight for market-share."

David Coffer, chairman at The Coffer Group, said: "We do not believe that bad weather was wholly responsible for the drop in January trade. There was undoubtedly a trend of customers preserving their money, leading through the difficult festive period and beyond. If one ignores the impact of bad weather, only a neutral position would have been likely.

"It will be interesting to see in 2013 whether the dichotomy of lacklustre growth against spiralling capital and rental values continues. Despite the reasonably flat figures as shown by the Tracker in recent months, we are seeing no underlying let up in demand for leisure property and operators are still as aggressive as ever in competition for sites."

Paul Newman, co-head of leisure & hospitality at Baker Tilly, added: "This month's results are a little bleak, although with the media pressing headlines of 'over spending' this Christmas, it's not really surprising that customers aren't putting their hands in their pockets for eating and drinking out.

"Heightened pressure on finances combined with New Year resolutions, including detoxes and gym regimes, always make January a very tough trading. Given the trend in 2012 for little or zero growth, these results don't really come as a surprise. Operators will no doubt be hoping to see their fair share of January's pay cheques being spent on leisure and hospitality in the month ahead."

Jonathan Leinster, head of UBS European Leisure Research, said: "It was a poor start to year. We note that the comparative was not difficult since LFL sales declined 2.1% in January 2012. The pattern of poor sales growth, with LFL sales in the calendar year only just positive, appears to be continuing. With cost inflation continuing then industry margins will remain under pressure.

"We also believe that investment in new space has been in decline for some time, probably reflecting the more difficult 2012 trading conditions after the pickup in 2011. It seems likely that investment in new sites will continue to deteriorate."
The Coffer Peach Tracker* industry sales monitor for the UK pub and restaurant sector collects and analyses monthly performance data from operating groups, representing combined annual turnover of £6.4 billion, and is recognised as the established industry benchmark.

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Hotels in London get off to a very poor start to 2013

Profit decline in January was amongst the greatest suffered by hotels in London since the market recovered out of its recessionary slump more than three years ago, according to the latest HotStats survey of approximately 625 full-service hotels across the UK by TRI Hospitality Consulting.

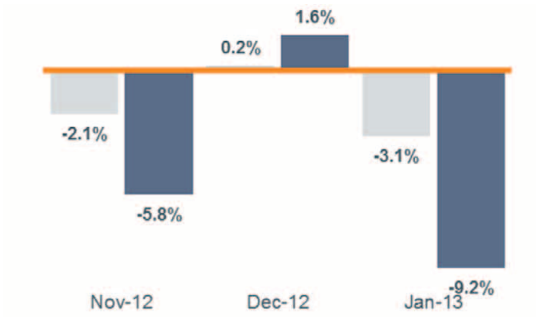
Whether it was due to a stalled return to business, poor weather conditions or an unfavourable comparison with the strong beginning to the Olympic year, the figures for January do not read well with the 9.2% decline in profit this month in stark contrast to the growth in profit (+7.0%) achieved in the city during the same period in 2012.
Since August 2009, hotels in London have only suffered such dramatic declines in profit in December 2011 (-9.2%), due to the heavy snow fall and June 2012 (-9.3%), when the market was disrupted by the celebrations, and extended Bank Holiday, surrounding the Queen's Diamond Jubilee as well as pre-Olympic jitters.

The capital suffered declines across all headline performance measures, including the typically stalwart average room rate, which dropped by 1.6% to £123.65 from £125.64 in January 2012. As a result of the decline in rate coupled with a 1.7 percentage point drop in room occupancy, RevPAR (Revenue per Available Room) in London declined by 4.0% to £83.34, approximately 28 per cent below the rolling 12 month average for this measure of £115.56.
Whilst rates remained buoyant in the corporate segment, London hotels recorded an overall decline in the proportion of demand attributed to the corporate (-3.6%) and residential conference (-15.0%) sectors. In contrast, an increase was recorded in the proportion of demand attributed to the leisure sector (+9.4%), but this was undoubtedly as a result of yield management, evidenced by a 4.5% drop in the achieved leisure sector rate suggesting a greater level of discounting.

In addition to the decline in revenue, cost levels for hotels in London increased, most notably in overall payroll (+0.7 percentage points) as a proportion of total revenue, as well as maintenance (+10.5%) and utility costs (+5.4%) on a per room let basis.

"There are extremely mixed messages being received regarding the current status of the UK economy. On one hand, a recent Business Confidence Monitor by the ICEAW/Grant Thornton suggests that a 'significant rise in confidence' could lead to a return to economic growth in Q1 2013. In contrast, the European Commission has conceded that the Eurozone economy will shrink by 0.3% in 2013, which will undoubtedly impact the primary feeder markets for London's business and leisure tourism trade," said David Bailey, deputy managing director at TRI Hospitality Consulting.

London last 3 months year-on-year change



HotStats London Main KPIs

LONDON

	Jan'13	Jan'12	Var b/w
Occ %	67.4	69.1	-1.7
ARR	123.65	125.64	-1.6%
RevPAR	83.34	86.80	-4.0%
TrevPAR	118.75	122.52	-3.1%
Payroll %	30.8	30.1	-0.7
GOP PAR	41.21	45.40	-9.2%

	YTD'13	YTD'12	Var b/w
Occ %	67.4	69.1	-1.7
ARR	123.65	125.64	-1.6%
RevPAR	83.34	86.80	-4.0%
TrevPAR	118.75	122.52	-3.1%
Payroll %	30.8	30.1	-0.7
GOP PAR	41.21	45.40	-9.2%

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

HOTSTATS
Hospitality Intelligence

UK CHAIN HOTELS
MARKET REVIEW
JANUARY 2013

Profit problems persist for Provincial hotels with an all too familiar start to 2013

Provincial hoteliers could be forgiven for thinking they are suffering from déjà vu as January 2013 was the third year in a row in which the hard work put in to achieving an increase in RevPAR was completely cancelled out by falling ancillary revenues and rising costs, according to the latest HotStats survey.

Hotels in the Provincial UK got off to a better start than those in London in 2013 with a 0.5 percentage point decline in room occupancy offset by a 2.0% increase in achieved average room rate to £65.82. As a result, hotels in the Provinces successfully achieved a 1.0% increase in RevPAR, which is in line with the 0.9% increase in RevPAR achieved in the Provincial market during the same period in 2012.

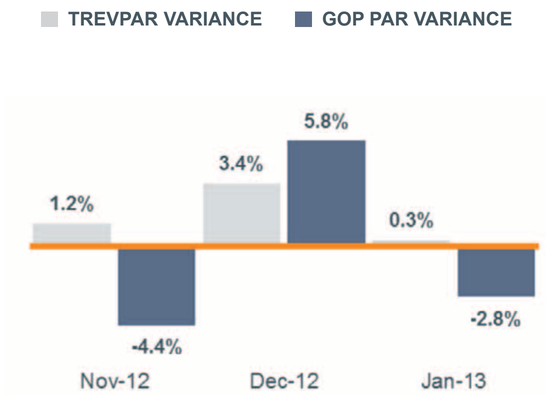
Although it was a slow start to the year, volume in the corporate (+1.7%) and conference (+2.5%) sectors increased as a proportion of total demand in the Provincial hotel market, with the corporate segment also recording a 0.5% increase in the achieved sector rate to £65.81.

However, whilst TrevPAR (Total Revenue per Available Room) levels benefited from increases in rooms revenue (+1.0%) and food revenue (+0.1%), Provincial hotels suffered a decline in beverage revenue (-2.7%) and room hire revenue (-1.5%) per available room, which led to total hotel revenue increasing by just 0.4% to £66.95. Furthermore, costs remain a considerable pressure. This is no better illustrated than in the rooms department as a 2.0% increase in achieved average room rate, equivalent to an increase of £1.31, was impacted by a 6.6% (equivalent to £0.72) increase in rooms direct expenses (ie the cost associated with the sale and servicing of the bedrooms), which means that the net average room rate increased by only £0.59 or 1.1%.

Although payroll levels were down by 0.5 percentage points to 40.7% of total revenue, undistributed operating expenses as a proportion of total revenue were up by 0.5 percentage points to 34.2% of total revenue as a result of a 4.1% increase in utility costs per room let as well as a 4.3% increase in maintenance costs per room let.

"With Provincial hotel performance so closely dictated by UK economic output, the recent news that Moody's has downgraded the nation's credit rating due to sluggish growth over the next few years will not have been welcome news. With the poor start to 2013, on the back of a fifth consecutive year of Provincial profit decline, it is critical that the economy begins to recover in 2013 if this general trend is to be reversed," added Bailey.

Provinces last 3 months year-on-year change



HotStats Provinces Main KPIs

PROVINCES

	Jan'13	Jan'12	Var b/w		YTD'13	YTD'12	Var b/w
Occ %	53.3	53.8	-0.5	Occ %	53.3	53.8	-0.5
ARR	65.81	64.51	2.0%	ARR	65.81	64.51	2.0%
RevPAR	35.05	34.70	1.0%	RevPAR	35.05	34.70	1.0%
TrevPAR	66.92	66.69	0.3%	TrevPAR	66.92	66.69	0.3%
Payroll %	40.7	41.2	0.5	Payroll %	40.7	41.2	0.5
GOP PAR	8.07	8.31	-2.8%	GOP PAR	8.07	8.31	-2.8%

BRIEFING DATA
UK Chain Hotels - Market Review
Currency: £ Sterling

The month of January 2013

TOTAL UK

	Jan'13	Jan'12	Var b/w	
Occ %	58.2	59.2	-1.0	▼
ARR	89.31	89.67	-0.4%	▼
RevPAR	52.00	53.06	-2.0%	▼
TrevPAR	85.11	86.37	-1.5%	▼
Payroll %	35.8	35.6	-0.2	▼
GOP PAR	19.70	21.38	-7.9%	▼

LONDON

	Jan'13	Jan'12	Var b/w	
Occ %	67.4	69.1	-1.7	▼
ARR	123.65	125.64	-1.6%	▼
RevPAR	83.34	86.80	-4.0%	▼
TrevPAR	118.75	122.52	-3.1%	▼
Payroll %	30.8	30.1	-0.7	▼
GOP PAR	41.21	45.40	-9.2%	▼

PROVINCES

	Jan'13	Jan'12	Var b/w	
Occ %	53.3	53.8	-0.5	▼
ARR	65.81	64.51	2.0%	▲
RevPAR	35.05	34.70	1.0%	▲
TrevPAR	66.92	66.69	0.3%	▲
Payroll %	40.7	41.2	0.5	▲
GOP PAR	8.07	8.31	-2.8%	▼

The Calendar year to January 2013

TOTAL UK

	YTD'13	YTD'12	Var b/w	
Occ %	58.2	59.2	-1.0	▼
ARR	89.31	89.67	-0.4%	▼
RevPAR	52.00	53.06	-2.0%	▼
TrevPAR	85.11	86.37	-1.5%	▼
Payroll %	35.8	35.6	-0.2	▼
GOP PAR	19.70	21.38	-7.9%	▼

LONDON

	YTD'13	YTD'12	Var b/w	
Occ %	67.4	69.1	-1.7	▼
ARR	123.65	125.64	-1.6%	▼
RevPAR	83.34	86.80	-4.0%	▼
TrevPAR	118.75	122.52	-3.1%	▼
Payroll %	30.8	30.1	-0.7	▼
GOP PAR	41.21	45.40	-9.2%	▼

PROVINCES

	YTD'13	YTD'12	Var b/w	
Occ %	53.3	53.8	-0.5	▼
ARR	65.81	64.51	2.0%	▲
RevPAR	35.05	34.70	1.0%	▲
TrevPAR	66.92	66.69	0.3%	▲
Payroll %	40.7	41.2	0.5	▲
GOP PAR	8.07	8.31	-2.8%	▼

The twelve months to January 2013

TOTAL UK

	Rolling'13	Rolling'12	Var b/w	
Occ %	73.4	73.1	0.3	▲
ARR	97.71	95.34	2.5%	▲
RevPAR	71.75	69.71	2.9%	▲
TrevPAR	115.46	112.63	2.5%	▲
Payroll %	28.4	28.7	0.3	▲
GOP PAR	43.46	42.18	3.0%	▲

LONDON

	Rolling'13	Rolling'12	Var b/w	
Occ %	80.3	80.4	-0.1	▼
ARR	143.99	137.98	4.3%	▲
RevPAR	115.56	110.95	4.2%	▲
TrevPAR	160.69	153.78	4.5%	▲
Payroll %	24.1	24.6	0.4	▲
GOP PAR	76.62	72.30	6.0%	▲

PROVINCES

	Rolling'13	Rolling'12	Var b/w	
Occ %	69.7	69.1	0.6	▲
ARR	68.80	68.32	0.7%	▲
RevPAR	47.97	47.23	1.6%	▲
TrevPAR	90.90	90.21	0.8%	▲
Payroll %	32.5	32.6	0.1	▲
GOP PAR	25.46	25.76	-1.2%	▼

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Members' **Events**

Forthcoming events

Mar 18 **HOSPA Regional Members' Meeting - Glasgow**
This event is to be held at the Jurys Inn Glasgow Hotel (80 Jamaica Street, Glasgow, G1 4QG) on Monday 18th March 2013 from 6.00pm for drinks with presentations beginning at 6.30pm. Topic and speakers for this event are to be announced in due course.

April 15 **HOSPA Regional Members' Meeting - Manchester**
This event is to be held at Q Hotels' The Midland Hotel (Peter Street, Manchester, M60 2DS) on Monday 15th April 2013 from 6.00pm for drinks and canapes with presentations beginning at 6.30pm. Topic and speakers for this event are to be announced in due course.

April 29 **Guest Facing Technology'- citizenM London Bankside**
From 6.00pm for drinks and canapés with presentations beginning at 6.30pm. We have limited spaces available for this event so registration is mandatory and places will be provided on a first come first serve basis.

Registration is necessary to attend the above meetings: please visit the events section on our website or email wayne.gosden@hospa.org with your details. Non members welcome.

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