

**THE INTERNET'S INFLUENCE, BUSINESS DEVELOPMENT AND THE  
LATEST TRAVEL TRENDS WERE HOT TOPICS AT THE  
5<sup>th</sup> ANNUAL RESORT MANAGEMENT CONFERENCE**

MCLEAN, VA (April xx, 2005) – The latest buzz words and travel trends, such as “Togethering” and “Strategic Control,” along with forecasts, a lodging outlook and more than a dozen breakout sessions to educate resort management professional headlined the agenda at the 5<sup>th</sup> Annual Resort Management Conference. Other hot topics were Internet marketing, de-mystifying distribution, building business health and marketing to meeting planners.

Held at the Pointe South Mountain Resort in Phoenix, it was sponsored by the Hospitality Sales & Marketing Association International (HSMIAI), The University of Denver’s School of Hotel, Restaurant & Tourism Management and The International Resort Managers Association (IRMA).

"This specialty conference continues to gain momentum, states Robert A. Gilbert, CHME, CHA, president and CEO of HSMIAI. “There are few industry events that provide a forum to discuss issues unique to resort operations and marketing."

Peter Rainsfield, director, School of Hotel, Restaurant and Tourism Management, Daniels College of Business, University of Denver, adds “The wealth of information presented makes it a one-stop shopping learning experience, covering a huge spectrum of timely and influential topics within the resort industry.”

A recap of the agenda is as follows:

**General Session A: Travel Trends.**

Peter Yesawich, president and CEO of Yesawich, Pepperdine, Brown & Russell presented results of the company’s latest survey on travel trends of Americans, their social and travel habits and how they are linked, followed by a panel discussion. The highlights were:

- Travel websites are heavily used in planning and booking a vacation; the study indicated 10% used a travel agent while 56% used the Internet to book. The top 10 travel websites received 7 million hits per month.

- “Togetherness” is hot trend, which refers to traveling for leisure, being with the family and spending more time together away.
- A poll of 1,000 children to determine how they feel about vacations revealed:
  - 71% of the kids felt they needed a vacation.
  - 2/3 of the kids say they do different things on a vacation that they normally do not do at home (dine together and talk more).
  - Their favorite things to do on vacation are go swimming, visit theme parks, eat out and stay in a hotel.
- Personalization is a leading trend – the concept of vacation selling and getting people exactly what they want, where they want it.
- A status symbol for today’s traveler is “Getting a better deal than the person beside you.”
  - 92% of travelers want to find the best deal out there and believe you do not have to pay the full price as something will always be on sale. These people will search all the Internet travel sites several times a day until they find the best price.
- 76% of the people surveyed want to vacation somewhere new; the “been there done that” concept. The most popular places people want to vacation: Europe, Australia, the Caribbean, Canada, and Far East. Within the U.S.: Florida, California, Hawaii and New York.
- Strategic control: The Internet is giving consumers greater control to search for exactly what they want in a vacation, personalize the goods and services and control the transaction, contributing to the increase in online bookings.
- Business is roaring back, but the customers are different; 93% of the 58% of Americans that took trips last year took vacations.
- As prices become more transparent, brand clarity becomes more important.

### **General Session B: De-Mystifying Distribution to Maximize Revenue.**

An overview of resort product distribution based on the special report, “De-mystifying Distribution,” authored by Cindy Estis Green, published by HSMAI and produced by TIG Global. Among the report’s findings and the panel discussion highlights:

- In 2004, online hotel bookings accounted for nearly \$15 billion.
- Use chat rooms, they are great for free promotion
- Take steps to keep you site secure
- Pay for the power of search
- Keep information timely and accurate
- Hotel guests are getting younger. They are much more Internet savvy, would rather booking online, and the trend is towards flying “cheap” but staying in luxury hotels.

- Expedia is assisting hotels by doing much of the technological grunt work for them on their website, providing more of a brochure-like feel with pictures, virtual tours, etc.
- Sabre recently introduced the Sabre Spotlight program to help make properties more accessible and available to up sell.
- Don't be afraid to invest in multiple channels of distribution as it will increase your market share. Be sure to track the changes and make investments in channels that give sound returns.
- Allow guest feedback on your website, which is generally of a good nature and can really help to convince the customer.

### **General Session C: Resort Operating Research and Statistics.**

Mark Lomanno, president of Smith Travel Research, presented his latest findings on operating statistics for resorts as well as research about the size and the scope of the industry, facilities, amenities, demographics and compensation.

- The forecast for 2005 shows ADR and RevPar growing strong and occupancy decreasing. This relationship appears to be counter-intuitive, yet appropriate since the mix of hotel types is changing and hoteliers are taking back the power held by third-party intermediaries.
- The luxury and upper up hotels indirectly control the flow of funds in the industry; demand is up 6.7%.
- Resorts that operate a spa are at an advantage since spas generate occupancy at non-peak time, assisting managers in stabilizing their rates.
- **U.S. Lodging Outlook:**
- Supply growth remains flat; demand strength broadens; occupancy gains continue.
- There will be increased profitability and aggressive pricing strategies.
- 25% of dollars spent in hotels are spent in 3% of total hotel supply (luxury and upscale).
- In 2004, there were 1 billion room nights sold in the U.S. – the greatest amount of room sales in lodging history – and a total 1.3% industry increase in room rates. Weekday/weekend business never went away; it is slowly increasing.

## **BREAKOUT SESSIONS**

### **Operations Track – Spa Trends**

- Asian based practices will be the hot trend for 2005-2006. The focus is on overall health and lifestyle change, not just the time experience. There is an education gap between management and staff.

## **Ownership/Real Estate Track – Fractional Ownership**

- Fractional interests differs from timeshare because it has a higher star level, a smaller number of units, its marketing and sales costs are a smaller portion of its costs, and it appeals to a crowd of higher income individuals. They provide more probable appreciation and more exclusivity.
- Customer service via electronic means is possible if thought out. Be unique by providing guests with a suggested itinerary or allowing search by weather.

## **Marketing Track – Internet Marketing: Cash in Your Own Backyard**

- By the end of 2006, 25% of all hotel bookings will be made online.
- To maximize exposure on search engines, keyword utilization is the best way to move up the list. Decide what words people may use most when searching for a hotel in your area in Google and build those words into the synopsis of your property as many times as possible. This repetition is picked up by the search engine and moves you to the top of the list.
- Website development. People find websites in a number of ways, so create multiple entry points for that customer.
  - A person clicking on your site after a Google search is looking for information, no fluff, just the facts, so this link should go to a page in your website to do accomplish that.
  - A person clicking on an advertisement was wowed by the ad and is looking for the same material once they reach the website. Take them to a different page that somewhat incorporates the advertising.
  - Tailor a different site geared toward the leisure, corporate and meeting planning community to make information more applicable, accessible and sellable.
  - Consider Pay-Per-Click Advertising. By paying for less frequently used words on a Google “Sponsored Link” one can maximize a great deal of exposure for relatively little money. Instead of paying for an expensive word like “Boston Hotels”, you can pay for a considerably less expensive “river front lodging” phrase or something the like to gain higher exposure.
- On the benefits of E-mail marketing,
  - It can be sent to the guest on a transactional basis where one up sells the property in confirmation of lodging emails. One week prior, the property can send a confirmation and “Don’t forget to book your Spa Package with this discount” letter.
  - Send regular emails to willing customers with updates on property events and special promotions.
  - E-mails must be visually pleasing. The “From” line should be the hotel or resort that the email is coming from. The “Subject” line should give clear direction as to why the email was sent. Make sure the Subject can pass through spam blockers.

- Spam Laws are very strict. By law, an unsolicited email must contain an ADV in the subject line.
- Ask permission to email a potential customer. If someone requests to be taken off of the email list, take them off.
- Itemize your list by geographical location of the recipient. This allows for targeting of a specific individual for specific promotions without numbing clients that the information does not pertain to.

### **Operations Track – Building Business Health**

Building business health is a management approach that analyzes the three vitals of a business in terms of human health: physical, mental and emotional. There are different phases that must be defined to all participants in the organization on an annual basis. The first phase looks at defining all the participants and the program:

- Organization structure – does the work flow?
- Revenue generation – all activities do this.
- Financial performance – in comparison to the benchmark.
- Product delivery standards – are they met?
- Guest satisfaction
- Staff satisfaction
- Goals/objectives
- Capital spending
- Unrelated matters – anything keeping the resort property from reaching its potential

The key to Phase two is participation. The process benefits are:

**For the staff:** Understanding, Involvement, Accomplishment, Commitment, Professional growth.

**For the business unit:**

- Organizational interaction, Staff stability, Process efficiencies, Product enhancement, Financial improvement, Quantitative benchmarking.

**For the owner:**

- Comprehensive operating report, Organizational alignment, Improved performance, Foundations for strategic direction.

### **Ownership/Real Estate Track – Resort Renovations**

- Dollars spend on renovation have been scarce and has only just started to comeback in the last two years.
- To compete you need to step up and make a difference, make yourself known and stand out amongst your competitors.

## **Operations Track – Program Utilization** (golf, tennis, children’s programs, water parks)

On the marketing and management of compelling recreation experiences:

- Individualized management for each department is essential for meeting planners.
- Focus programs on desired target market of overall establishment.
- Layout is essential to success; reconstruction is worth it.

## **Marketing Track – Meeting Planners to Resorts: What We Need to Select You!**

- Most corporate meetings are typically at full service resorts.
- Sales and marketing staff should be well educated and certified, taking the planning process to a much higher level. They need to be engaged – find out what the client’s interests and ambitions are for the event, see who else is on the books as a potential competitor for this conference.
- Bookings are typically finalized a year out with just general information locked in; six months out the real planning begins. Flexibility from the resort is very important.
- High Speed Wireless Internet is paramount and contingent for most meeting bookings.
- Rate is a huge factor in the selection process. For large groups, there has to be some concessions. Rate bartering is out.
- Location is important. Airport size, flights per day, distance to the airport are all considerations. First tier cities are typically more highly utilized.
- Meeting Space: flow is important; a wide array of pre-function space is needed; opportunities to gather, socialize and build a sense of community
- Value the business and do not nickel and dime – don’t charge for easels and votives if the group fills the hotel.
- Resort Websites: 80% of all decision criteria and interest in moving forward comes from the website. Don’t bother sending our sales packets but invest in your website – it’s the new sales packet. Have updated photos; keep all information current; post client feedback; diagram meeting space.
- Advertising: helps but meeting planners tend to browse quickly through magazines. Focus more on email and online search engines.
- Food: is always a key point of consideration. The menu should be international; unique and design creative options that are somewhat less expensive for planners on a tight budget. Shift meeting and dining time agendas. For breakfast try a smoothie bar, wraps and fruit, or do a brunch, instead of a lunch at around 11 am when attendees are getting hungry for something with substance.

Conference partners are American Express and TIG Global; conference friends are HSMIA University, Lodging Hospitality, MagnetMail by Real Magnet, Resort + Recreation Magazine, Smith Travel Research, Panzano & Partners, Resort Management Magazine and Yesawich, Pepperdine, Brown & Russell.

At last year's conference, a charter committee was formed to establish a Resort Marketing Special Interest Group under the auspices of HSMAI. Comprised of resort sales and marketing executives, it addresses the interests of those within the resort industry and provides a forum to exchange best practices and maintain close tabs on hot issues that affect resort revenues such as distribution, Internet marketing, revenue management, CRM and other evolving topics. This new group is an ideal solution for the resort executive who wants to be connected to others for quick updates on current topics and quick idea exchange for dealing with the issues unique to resort marketing.

HSMAI's Resort Marketing Special Interest Group (SIG) continues to work on behalf of advancing the resort sales and marketing discipline and the professional development of its members through information sharing and education, including a comprehensive "best practices" initiative currently underway. For more information, go to [www.resortconference.org](http://www.resortconference.org).

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Established in 1946, the School of Hotel, Restaurant and Tourism Management (HRTM), part of the Daniels College of Business at the University of Denver, prepares both graduate and undergraduate students for senior management positions in the fast-changing and competitive hospitality industry. As one of the most prominent hotel programs in the nation, the HRTM program enjoys a superb reputation for innovative educational programs. The student-oriented faculty members are internationally recognized for their contributions to teaching, research and publications in various hospitality fields. For more information on the HRTM program, contact Nicci Crowley at 303-871-4266 or [ncrowley@du.edu](mailto:ncrowley@du.edu), or visit [www.daniels.du.edu/HRTM](http://www.daniels.du.edu/HRTM).

HSMAI is an organization of sales and marketing professionals representing all segments of the hospitality industry. With a strong focus on education, HSMAI has become the industry champion in identifying and communicating trends in the hospitality industry, and bringing together customers and members at 15 annual events, including strategy conferences geared to topics such as the Internet, revenue management, resort management, airline and hotel contracting and leisure and business travel. Founded in 1927, HSMAI is an individual membership organization comprising nearly 7,000 members worldwide, with 38 chapters in the Americas region.

**For more information on HSMAI, contact the Hospitality Sales & Marketing Association International, 8201 Greensboro Drive, Suite 300, McLean, VA 22102, phone (703) 610-9024; fax (703) 610-9005. You can also visit the web site at [www.hsmi.org](http://www.hsmi.org).**

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