Managing Expectations
Forging a Better Relationship with Today’s Guest

From social media to online travel agencies, a number of external forces are impacting the decision-making of leisure and business travelers. In an attempt to continue to attract and retain guests, hotel management companies understand the importance of implementing strategic moves and creative initiatives.

More than a dozen hotel management industry executives discussed this timely topic during the 2014 Hotel Business Executive Series Management Roundtable: “Managing Expectations: Forging a Better Relationship with Today’s Guest.” Hosted by Red Lion Hotels Corporation, sponsored by Protec-A-Bed, ProfitSword, LLC and Arthur J. Gallagher Risk Management Services, Inc., and moderated by Stefani C. O’Connor, managing editor of Roundtables, Hotel Business, the event was held...
on March 28 at Red Lion Hotel Anaheim, located one mile from Disneyland Resort.

While demand has grown since the economic downturn, the hotel industry is faced with an ongoing question: “What is the next generation of travelers looking for?” asked Bruce Ballin, SVP, PKF Consulting USA. The influence of online guest reviews on websites such as TripAdvisor has defined the purchasing decisions of consumers and has put increasing pressure on the brands and owners. “The industry is going through a tremendous transition,” said Ted Knighton, president/COO, Interstate Hotels & Resorts. “Guest feedback is there for everyone to see, and this new generation wants something totally different.”

Defining the new generation of travelers, however, remains a mystery for some in the hotel industry. Bill Linehan, EVP, chief marketing officer, Red Lion Hotels Corp., stated that hotel brands should study the personality, values, attitudes, interests and lifestyles of its guests rather than focusing on the demographics. For example, Baby Boomers are relying on mobile technology and social media just as much as the Millennials, observed Linehan. “We have to meet the needs of traveler regardless of age, and look at their persona,” he said. “And the brands need to reflect the psychographics and not just the demographics.”

Tony Farris, chairman/CEO, Quorum Hotels & Resorts, also acknowledged the importance of making the guest satisfied and the growing influence of TripAdvisor’s instant comments. “If your staff doesn’t act quickly enough to the TripAdvisor comments, then it’s to your own peril,” he said. Quorum Hotels & Resorts initially tasked a sales representative with responding to the TripAdvisor comments but later appointed a revenue management position to reply to the comments within a 24-hour timeframe.

As brands are becoming more reactionary to online reviews, Greenwood Hospitality Group took this approach a step further by adding a reputation management position to the company 10 months ago. Tom Comran, principal of Greenwood Hospitality Group, noted that the scores for the company’s portfolio increased significantly since then.

Anjali Agarwal, SVP/Asset Management, Chartres Lodging Group/Kokua Hospitality, stressed the importance of changing the way that hotels communicate with guests. Her management company installed a text message guest response system that allows the hotel and guest to communicate directly and alerts the hotel in real time if the guest has a request or an issue. “Millennials prefer to communicate via text message, so why not give them that option,” Agarwal said. “It worked really well at one of our hotels and we have now implemented it throughout the portfolio. It’s all about communicating with the guest the way that they want to be communicated with.”

Executives shared concern that hotel brands are not taking advantage of the technological capability to communicate with operators and management in regards to guest feedback. “In this continued on page 54

Seated, left to right: Kerry Ranson, Expotel Hospitality; Leigh Hitz, Stout Street Hospitality; David Wei, Twenty Four Seven Hotels; Bill Linehan, Red Lion Hotels Corp.; Anjali Agarwal, Chartres Lodging Group/Kokua Hospitality; and Bruce Ballin, PKF Consulting USA
the technology exists to ensure that we can get that comment in real time and communicate with the hotel," said Greg Mount, president/CEO, Red Lion Hotels Corp. "The technology exists right now to track a customer, but we’re not using this technology in a meaningful way.

Owners, brands and operators can also utilize the latest innovations in communication to increase guest returns. But John Manderfeld, president, Marin Management, Inc., questioned the hotel industry’s approach. “We are so decentralized in ownership and management structure,” said Manderfeld. “We’re dragging a year or two behind everyone else in training, mobile communication. The challenge is very difficult to overcome. How do guests become aware of the property? We have to herd the cats, but that’s industry-wide.”

Kerry Ranson, president/COO, Exotel Hospitality, agreed that brands should take advantage of the digital age to tap repeat guests, especially through recognition of their spending habits. Ranson pointed to his independent hairstylist in New Orleans as an example of maintaining relationships with repeat customers. Every fourth Wednesday of the month, Ranson receives an email reminding him to schedule an appointment for his haircut and welcoming him back to the establishment. He then asked, “How can a company like this get that done but not the brands?”

In addition to executing hospitality basics such as a clean room, comfortable bed and efficient check-in, Conran pointed to Greenwood Hospitality Group’s efforts to create memorable experiences within their portfolio from music to light- ing to art programs. “As we create memorable experiences, people like to talk about that more and more,” said Conran.

“We’ve seen a large retention factor by doing so. And they’re willing to talk to more people about the experience.” Similarly, Stout Street Hospitality aims to offer an environment where the staff recognizes the activity of the guests in an attempt to create a personalized experience. “If you’re shopping and you return to the hotel with shopping bags, the staff will take notice and the bartender will say, ‘What you’d buy today?’” said Leigh Hitz, president and CEO, Stout Street Hospitality. “We’re creating a dual communication process. There’s a way to establish an experience when they leave they would want to return.”

The leadership of the general manager largely dictates a warm and inviting environment. During a recent visit in Washington State, Douglas Dreher, president & CEO, The Hotel Group, recalled a general manager at a Courtyard by Marriott who knew the name of every guest staying at the hotel. "I think the general manager is key," he said. "We need and want that kind of recognition, and I think those guests will return because they feel truly welcome, the letter included personalized details gathered from the questionnaire. "I thought that was just phenomenal," Ranson said.

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ANAHEIM, CA—When Kerry Ranson, president and COO of Exotel Hospitality, brought his seven-year-old triplet daughters to Walt Disney World for the first time last year, his family received an unexpected welcome from their hotel. At check-in, each girl received a handwritten letter signed by Princess Tiana, the fictional main character in the Disney animated feature film The Princess and the Frog. After reviewing the themed guestroom, inspired by the Disney character, Ranson’s wife filled out an online questionnaire that inquired about the couple’s three daughters. To make Ranson’s daughters feel truly welcome, the letter included personalized details gathered from the questionnaire. "I thought that was just phenomenal," Ranson said.

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they are loyal not just to the brand but also to the general manager. While staying at the Red Lion Anaheim, panelists observed the hotel’s warm and friendly reception as well.

When asked whether hotels should invest more for internal training in order to create a welcoming environment, Dreher recognized the importance of the service culture to make the guest feel at home. For the past 12 years, his management company has strived to maintain a service culture among its staff. “It’s so true that the basics are sometimes missing; that’s the low hanging fruit in our industry,” said Dreher. “It has to be about culture and not just a training program.”

In an attempt to try new experiences, the next generation of travelers would prefer staying at different hotels rather than taking advantage of loyalty programs. This shift in travel preference poses a challenge for brands seeking repeat guests. Linehan questioned the effectiveness of the loyalty programs. “We ask for our guests to prove their loyalty for us to treat them very special,” said Linehan. “Shouldn’t it be the other way around? We treat them special and, therefore, they want to stay with us more.” The point systems of today’s loyalty programs are becoming overly complicated, noted Linehan, who advocates for a move toward simplicity.

Mount agreed, foreseeing the brands altering their loyalty programs at some point. “You’re going to see a lot less about the points and the currency moving forward and much more about the loyalty and recognition,” he said. “Points will become less important.” Mount pointed to the success of retail loyalty programs that place an emphasis on reward and recognition. “Starbucks will send out a free song; we will start to see a connection on that level rather than we sent you 500 points,” said Mount.

In some situations, management companies are receiving requests and expectations from owners that could potentially work against guest returns. When a potential conflict arises, Marin Management, Inc.’s staff will attempt to dissuade the owner. “Owners come to us for all kinds of reasons. Sometimes, it’s an uphill struggle, but it’s all about being persuasive,” said Munderfeld. “I tell my team that their persuasive skills are so important with owner communication because often times, we need to get the owners to turn in a different direction for the best interest of their investment, and that is one of the biggest challenges we have.”

Management companies need to educate owners to help them understand that hotels are a continuum not just quarterly, according to Bailey of PKF Consulting USA. “It’s what we do over the next five years that will make or break us. That’s really hard to do when an owner has a quarterly perspective,” he said. “Conflicting objectives have to be dealt with sometimes. We see a lot of cases in which owners act against their own self interest.”