



THE IMPACT OF COVID-19

CORONAVIRUS UPDATES FOR AMERICA'S HOTEL OWNERS

AAHOA COVID-19 WEBCAST SERIES RESOURCE

HOTEL OWNERS & COVID-19: REVENUE STRATEGIES FOR STAYING AFLOAT

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Contributed by Susan Barry, President + Queen Bee, Hive Marketing

My on-property hotel career was bookended by two major catastrophes, with the dot com bubble and Sept. 11 on the front end, and the Great Recession on the back end. These situations have given me a lot of practice in serving as a "war time" hotel leader.

As a result of the COVID-19 quarantine, for all practical purposes, we are at war, and we have to adopt a different mindset and a different attitude than the one we have in place during peacetime, when business is good and RevPar just keeps growing and growing.

I don't mean that we have to be angry or violent. But we do have to be warriors. Staying afloat in these conditions will require the strength, bravery, and tenacity of a warrior.

I keep returning to a quote from Franklin Delano Roosevelt. In fact, I have it hanging up in several places around my house right now. The quote is, "A smooth sea never made a skilled sailor." In other words, rough seas and rough times teach us the lessons we need to get better and more skilled. Now, I'm going to share some of the lessons I've learned from past encounters with rough seas in the hopes that they will help you.

WHAT CAN HOTELS DO TO STAY AFLOAT?

1. **Hold your retail/BAR rate steady.** Travel has come to a standstill not because of the price of hotel rooms but because people are afraid of or forbidden from traveling. No discount, no OTA special offer, no price is going to change that. Demand has been wiped out and dropping your rate will not create it. All it will do is devalue your asset.



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2. **Get right with the government.** Make sure you are up to date and registered in the places where you need to be in order to take government business at your hotel. Once you obtain the three numbers below, you can confidently reach out to potential government groups and offer to accommodate them at your hotel.
 - a. FEMA number, which shows that you are approved by the U.S. Fire Administration.
 - b. CAGE code, which shows that you are registered in the System for Award Management to do business with the government.
 - c. DUNS number, which stands for data universal numbering system and is referenced to help predict the reliability and/or financial stability of the company in question.
3. **Know the hotel status in your market.** Which hotels in your city are staying open and which are closing?
 - a. Can you accommodate their business, especially any airline crew or other base business that regularly stays there?
 - b. Notify market managers at the OTAs you work with that you are open and offer to accommodate any OTA bookings that may have been made for hotels that are closed.
4. **Audit OTA revenue.** Audit all of your past and current reservations for any uncharged revenue. As we have all experienced, there are sometimes glitches in payment; finding uncharged reservations can help you generate some extra cash.
5. **Join or update group listing sites.**
 - a. Make sure your listings on Cvent and HotelPlanner are up to date, accurate, and have lots of pictures.
 - b. Put an instant offer in place on HotelPlanner that will give the group a percent discount off of the lowest rate you have online; this makes sure that your response goes out quickly.
 - c. Add your hotel to EPro Direct's free directory of hotels that are open. You can list your hotel and indicate what kind of business you are taking.

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6. **Research your state's emergency management division.** Many states are collecting information on facilities that are willing to be used for medical and other emergency housing, so you can list your hotel there.
7. **Reach out directly to the hospitals and health care facilities in your area.** Offer them rooms and make sure they know what you have available. Offer a special health care worker rate for them to use your rooms to rest between shifts so they are isolated from their families.
8. **Set yourself up for success for RFP season so that you have more accounts next year.** That includes doing your research, understanding who the accounts are that stay with your competitors during normal times, and beginning to make a case now for why they should choose you.
9. **Hotel cleaning and sanitation practices will become more important** to travel managers as they make decisions for 2021, so know that you are going to have to keep it up. Start thinking about how you will communicate that on an RFP to make sure your hotel stands apart as the most proactive and cleanest in the market.

Monitor which companies are still hiring, which have implemented hiring freezes, and which are experiencing layoffs. This will help you understand the economic picture after shelter-in-place and into next year. For example, we know that discretionary businesses like restaurant companies, Uber, and entertainment have been hit hard. Uber has implemented a hiring freeze and is rescinding offers that were already made to new employees. If your hotel relies heavily on business travel from Uber corporate travel, you can expect that to slow down dramatically even after SIP is over. On the other hand, some industries -- obviously health care, but also tech companies like Zoom and Twitch -- are hiring like crazy to keep up with new demand. Can you pivot your hotel to go after business from those industries instead?

<https://candor.co/hiring-freezes/>

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10. **One of the most important things to do right now is also one of the hardest.** Since so many hotels have had to lay off their sales staff, you may feel like you don't have enough hours in the day to do everything you need to. But you have to figure out a way to be easy to do business with. You have to respond quickly to any incoming requests and include multiple ways to be reached in everything you send out. You need to make yourself -- or someone -- available 24 hours a day.

As President and Queen Bee of Hive Marketing, Susan Barry helps hotel owners, management companies, and brands optimize top-line revenue performance by deploying 25 years of award-winning experience in sales, marketing, and revenue strategy. Hive has worked with more than 150 hotels in 75 markets and five countries to solve top-line revenue problems, resulting in millions of dollars in incremental revenue and profitable asset dispositions for owners. From short-term deep dives into price positioning, target account identification, and branding to long-term engagements in fractional asset management for hotel portfolios, Susan believes that advice without action is useless. Projects include hotel transition sales assessments, recession-readiness audits, market supply and demand analyses, vacation rental studies, and brand messaging ideation and deployment.

Prior to founding Hive in 2009, Susan led the sales, marketing, and revenue disciplines in several new-build openings over 10 years with Starwood in Denver, CO, the Washington, D.C., market, and Atlanta, GA, winning Starwood's "Hotel of the Year" and helping reimagine the Westin brand along the way. After two highly successful openings in three years, Susan envisioned a consultancy that would allow hotel owners to access the expertise of longtime hoteliers combined with the speed, efficiency, and tech-forward approach of independent contractors. Thus, Hive was born. Susan spent several years as an off-premise caterer before embarking on her hotel career, and she can confidently confirm that hotels are much more fun.

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