



# HOTEL SAFETY: Consumer Demand Presents a Marketing Opportunity

Travelers are so concerned about safety that they are willing to pay more for accommodations at a property that has effective security measures in place. Since the demand for increased safety is sure to increase, hoteliers would be wise to take the steps suggested here. **BY JOHN C. FANNIN, III**

**T**here is no doubt that the aftershocks of September 11, 2001, still echo through the corridors of every lodging facility in the industry. For the first six months of 2002, the average domestic full-service hotel suffered a 21.3 percent decline in profits compared with the first half of 2001, according to analysis conducted by the Hospitality Research Group of PKF Consulting. As unsettling as those numbers might be, they may not indicate the bottoming of a trend. With military tensions running high and the Office of Homeland Security continually issuing alerts, the average American traveler doesn't seem eager to embrace the idea of venturing far from home.

What action can the hotel and lodging industry take to reverse the alarming free-fall of revenue and volume? This is not simply a game of rate reduction, package deals and amenities upgrades. This is about one issue and one issue only: safety. Witness a November American Hotel and Lodging Association Educational Institute conference speaker session in New York titled: "Tourism Safety and Security: Welcome to the New World Priority." A new world priority. It doesn't get more significant than that.



## First Steps Toward a Safer Facility

At any given time, hotel property managers should be able to confidently answer the questions below. Conversely, any unanswerable questions on this list should be considered red flags in need of immediate attention.

- Does the facility comply with the national fire code, ensuring safe building evacuation?
- What physical security measures are in place to ensure guest safety?
- Are criminal background checks performed for all members of your staff, including housekeeping and catering personnel?
- Is your facility compliant with national food service codes and standards?
- Is your management staff adequately trained to deal with emergencies such as bomb threats, natural disasters, fire, and trauma?
- Is your written emergency management/safety information plan available for review?
- What security and emergency management training have you provided your staff in the past year? Do you conduct regular drills?

This conference is just one example of how the lodging industry as a whole has begun a true paradigm shift. Pre-September 11, tourism and travel security were rarely publicized, often under-funded and seldom a top priority for most travelers. But now, questions are being asked by the everyday consumer. Concerns are being raised. And purchase decisions are being guided by a new set of criteria. Put in its simplest terms, travelers no longer fear tourism security. They demand it. Long gone are the days of security as a “dark secret” or “necessary evil.” Now we are witnessing a new era: leveraging safety and security as a marketing tool.

Take Wilmington, Delaware’s award-winning Hotel duPont as a prime example. As the first hotel to earn independent lodging facility accreditation for safety, the Hotel duPont was lauded as the “Safest Hotel in the Nation” by The Wilmington News Journal this year. The Hotel duPont’s voluntary compliance with a set of rigorous, comprehensive national standards sends an important message to the lodging industry: property owners and operators now realize it’s time to get serious about risk management and the public promotion of it.

Another interesting case: the International Hotel/Motel & Restaurant Show in New York City last November at a seminar on the first day of the convention, various industry CEO’s shared their views on safety, security, and possible next steps. Two points came through loud and clear. First, safety and any issues related to a terrorist threat are a top priority for hotels as of today. Second, in an era where urgent cost-cutting measures are being implemented with unprecedented haste, hotels must be prepared to spend—in fact, to invest heavily—to upgrade security and implement more comprehensive procedures.

### How safe is “safe”?

Although most hotel managers and risk management staff do have some training in safety implementation, the basic assumption remains that simply complying with local codes and ordinances or hotel franchise requirements is adequate. To some extent, this is true. But local safety

measures cannot fully address all the issues that need to be considered in order for a hotel to begin marketing itself as “safe.” Although local code officials do a fine job, they can seldom afford to conduct the meticulous inspections that verify compliance with the full depth of any national code or standard, much less a comprehensive checklist of recommended practices.

Add to that the pressure formed by the growing opinion that what passed for safe, secure measures yesterday are no longer deemed satisfactory by the American public. A study conducted by Harris Interactive, a worldwide marketing research and consulting firm, showed that 94 percent of travelers surveyed now consider hotel safety to be a critical factor when making their lodging purchase decisions. The survey also showed that 78 percent would be willing to pay more for a facility certified as safe by an independent source. A recent report issued by The Center for Hospitality Research at Cornell University gave their highest safety and security scores to airport hotels, which are, in fact, subject to independent safety standards.

Additionally, consumers are no longer willing to equate the price of their room with their level of safety. Even upper-echelon properties will need to demonstrate their commitment to improve. One prominent pharmaceutical meeting planner in New Jersey spells it out, “Pre-September 11, I felt certain that reliable safety standards were inherent in the brand name of the hotels I chose. I can’t afford to take that for granted anymore.”

### **Playing it safe: When to shout from the rooftops**

The evidence appears to be mounting in favor of developing marketing programs that focus on safety, a radical departure from past philosophy. Even today, the clear majority of properties try to avoid the subject altogether, and many disclose information only when asked. It is a rare few—so far—that are willing to shout from the rooftops. But these rare few will gain a distinct marketing advantage—provided they strictly adhere to the most stringent national safety codes and standards.

## **A STUDY CONDUCTED BY HARRIS INTERACTIVE, A WORLDWIDE MARKETING RESEARCH AND CONSULTING FIRM, SHOWED THAT 94 PERCENT OF TRAVELERS SURVEYED NOW CONSIDER HOTEL SAFETY TO BE A CRITICAL FACTOR WHEN MAKING THEIR LODGING PURCHASE DECISIONS.**

Which begs the next question. What are these stringent standards? As expected, a large portion of the criteria deals with “emergency” issues. Fire protection, prevention and procedure; medical/health emergencies; and trauma. Then there is a litany of subtler, but equally important concerns. Among the factors most commonly overlooked by local inspectors and many other authoritative safety sources are: background checks of staff, essential staff training in emergency management and safety protocol, effective food handling/storage work practices, and hygienic housekeeping procedures. (Additional issues which property managers should concern them with are listed in the sidebar.)

Once the basics of property safety management are addressed, there is the uncomfortable specter of another, more intense, type of security: catastrophe management. Obviously, no one wants to be associated with a terroristic episode or any other event big enough to make the evening news, but if the situation should arise, a hotel’s proactive stance in addressing the event makes a tremendous impact and plays a vital role in salvaging the brand name.

Catastrophe management has its own set of criteria for evaluation. Factors for management to consider on a per-property basis include:

- A defined list of emergency service contacts (police, fire, medical)
- An alternate telephone list of staff cell phone numbers for intra-office communications in case of a landline outage
- Delineation of alternate management teams, including their responsibilities, should anything happen to the primary management team.

To be sure, these are difficult questions for uncertain times. Yet, what’s really the alternative to being absolutely vigilant in our preparations? The Loss Prevention Management Institute at the University of Houston suggests that action, above all, is required. “Since we face an unseen and unknown enemy in our midst, it is difficult to establish a strategy that will permit a proactive stance. However, we are not permitted the option of doing nothing, even if it is a tantalizing thought,” their recent bulletin reads. So true. Yet as difficult as it may be to devise a proactive stance, devise we must for so much is riding on it.

To take it a step further, the potential for adversity could breed opportunity—an opportunity to standardize safety practices, instill guest confidence, and promote employee awareness and well-being. The natural by-product of such a course of action is a solid differentiation in the marketplace. According to the Cornell report cited earlier and contrary to media reports, 25 percent of hotels have done nothing to tighten security in the wake of 9/11 and 70 percent have made no additions to security staff whatsoever. Though it may be impossible to completely terror-proof any environment, the public demands that an effort be made—now. Those that hear the call will reap the windfall, both financially and on the public relations front.

The demand for increased safety accountability is here to stay. Ultimately, it will change things for the better. At the end of the day, the hotel and lodging industry has the power to be on the ground floor of a movement that will engender public goodwill and help rejuvenate the travel and hospitality economy. ■