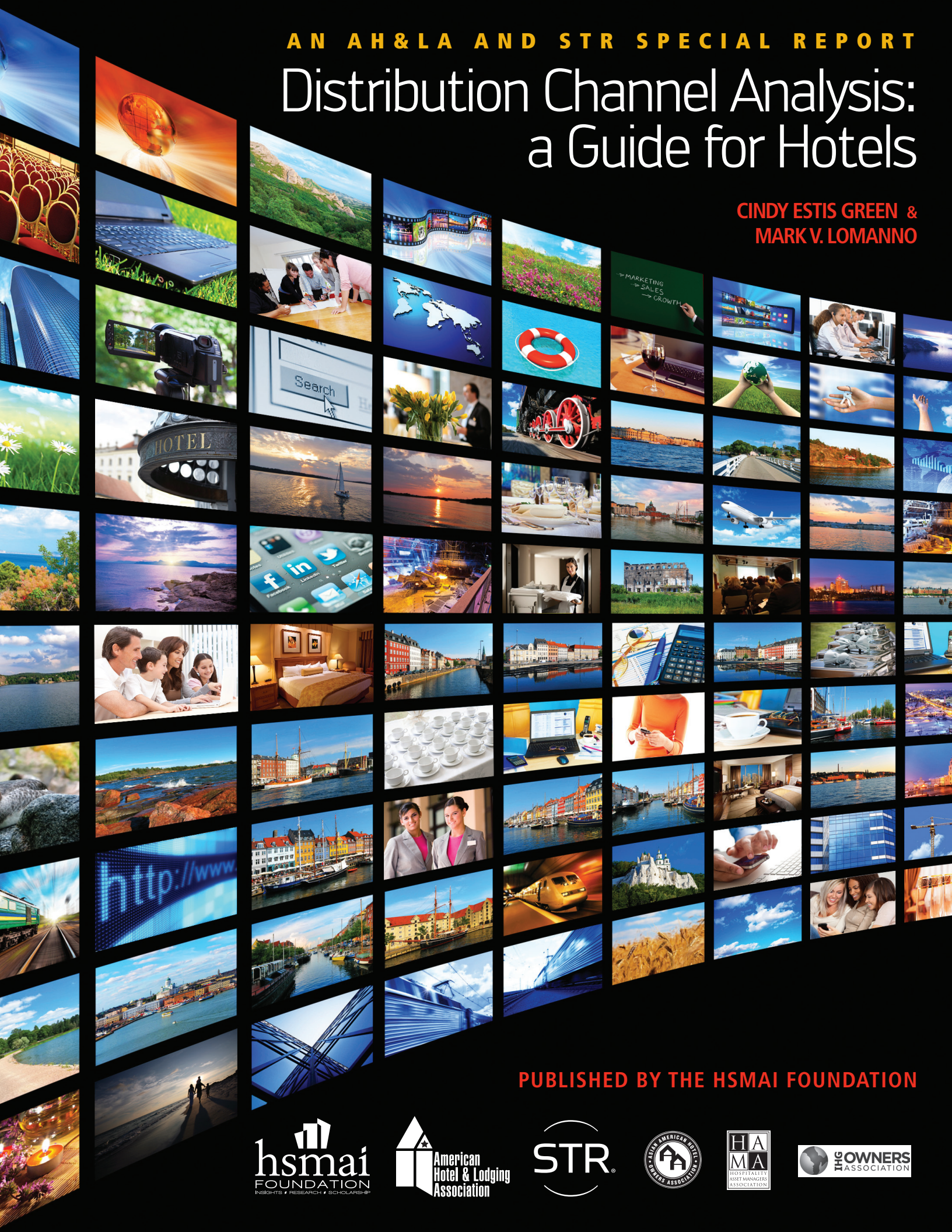


Distribution Channel Analysis: a Guide for Hotels

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How long have you been in hotel industry? How long have you been involved with distribution issues?

- >>> After a number of years in the airline industry I joined the hotel industry in 1989 working at an independent hotel in the Toronto airport area. Got into corporate office environments for chains in 1991 and have been at the chain level of hotel management companies ever since.

In what way does your current role involve distribution?

- >>> Both operationally and opportunistically my role is involved with getting our rates, inventory and product information into the hands of consumers and strategic intermediaries in whichever manner that best facilitates success.

Where would you say distribution fits into the overall hotel management landscape? Why does distribution matter?

- >>> Without distribution most other areas of the hotel management disciplines would not be able to do their job because it's all about being part of the scenario by which a reservation is made. Accounting has no money to count if someone doesn't check-in. Housekeeping doesn't have rooms to clean unless someone checks in. Front desk isn't busy if guests aren't checking in. Outlets and conference floors aren't busy if guests are not checking in.

The only way the industry will have people "checking in" is to insure that the rates, inventory and product information finds its way into the hands of the people that will buy it.

What are the top 3 current issues that will have the greatest impact on hotel distribution in the next two – three years?

- >>> Being effective in the mobile space. Being effective in the social media space. Tone, manner and language of product information — the ability to speak to the point of purchase in a manner and language that is meaningful.

A consumer on leisure is different than on business. A leisure consumer attending a wedding is different than someone searching for a "green" hotel. A travel agent needs to see / hear things differently than a tour operator or a convention meeting planner.

What is the smartest move you have seen in hotel distribution (by someone other than your own organization)?

- >>> Offering up a variety of ways to see room and rate information during the selling process. Some consumers shop by offer and then want to see what rooms they'll buy based on price. Some consumers want to see the room choices first and then decide which offer is best for them. Having one site with the flexibility to show / cluster / group the rooms and offers in a manner that's meaningful to the purchaser is really quite engaging.

What is the smartest move your organization has made related to hotel distribution?

- >>> Partnering with a technology provider that can truly give us a holistic view of our customers, how they buy, when they buy combined with a technology platform that's flexible. It's not just about a property technology solution or a centrally technology solution or a CRM technology solution — it's about a single technology solution that handles all of those areas.

What is the single biggest oversight or misstep you have witnessed (in your own organization or others in hospitality) in the last two years?

- >>> Underestimating mobile and social media.

What three things can you tell a hotel general manager, owner or asset manager about distribution that would have the greatest impact on unit level profit?

- 1 It's not about the cost of the distribution — it's about the revenue gain by being in the distribution channel. Don't view it as 15% cost of distribution, view it as 85% revenue.
- 2 Understand the full cost of distribution, not just the transactional cost of distribution. Large reservation offices with armies of people are way more expensive in most global markets than connected / distributive technology.
- 3 Distribution is not just rate and inventory — never lose sight of product information and digital assets, that's distribution as well.

What is the next thing that you predict will disappear or gradually fade away that is currently a part of the distribution scene?

- >>> Fax and email threads that deliver reservation data. It's archaic and not timely. Missed revenue opportunities and very expensive to manage.

If you had a crystal ball, what emerging technologies do you anticipate could be game changers, or at least have the greatest affect on the distribution landscape in the next 2-3 years?

- >>> Location based services — from both perspectives: where I am "right now" to where I want to be based on the location I just searched for or clicked to on a map.