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# What lies ahead for Sales & Marketing in 2014

by **Robert Gilbert** 

**The year ahead promises to be one full of change for hotel sales, marketing and revenue management professionals, says Robert Gilbert, President of HSMIAI, the Hospitality Sales & Marketing Association International. 2014 will be an opportunity for continued global revenue growth and moderate supply growth, he argues, which will require additional focus on integrating these three disciplines.**



Despite the revenue growth we may expect in 2014, customer acquisition costs continue to grow as well, eroding hotel profit margins – so the science of understanding and optimizing the business derived by channel and managing these and other intermediation costs will be paramount to success in 2014. Hotels and resorts, as well as hotel brands and management companies, must be focused on these fundamental shifts in how business is sourced and transacted.

## **Insights into sales**

The fundamental skills in sales have been consistent for a long time. HSMIAI has identified four emerging skill sets that we believe are vital for the modern sales professional. We believe that in 2014 sales professionals will need:

1. To be a strategic collaborator. This requires superior listening skills and the ability to negotiate and think differently than in the past. Internally, the modern sales professional will need to support an integrated team, and externally they need to realize that the current client may not be the future decision maker.
2. To be a source of reliable analysis. This requires critical, conceptual and creative thinking skills that are leveraged on a timely basis to provide information, ideas, trends, and facts to prospective and current clients.
3. To effectively manage demand to create reliable value. This requires financial management knowledge for the benefit of the client and the hotel or hotel company.
4. To utilize a progressive development process. This requires the ability to plan and build strategy that defines value – both added value and expected value – that shifts strategic thinking. It also requires additional personal development that may require new technical and behavioral skills.

The sales professional of yesterday is not the modern sales professional of 2014.

### Insights into marketing

The tactics required to be successful in the discipline of marketing have evolved significantly in the last few years and we can expect more change in 2014. We can no longer talk about “off line” and “online marketing.” It’s all marketing. Advertising, public relations, web sites, search engine optimization, search engine marketing, digital, social and reviews – these are all things required to make sure that customers can find you when they want and where they want. Your brand presence must be device-agnostic and integrated with the brand promise that is integrated from a search experience through a booking experience and the guest experience pre, during, and post stay. Content is king for customers from around the world to identify you and your unique value proposition.

Budget and resource allocations must be made in the emerging areas that are vital to achieve success. The new marketing budget of 2014 includes digital marketing functions that include:

1. Digital assets, consulting, and operations. This includes keeping your digital marketing assets up to date (website, customer relationship management, technology, consulting, analytics, and hosting).
2. Core digital marketing campaigns. This includes budget line items that are proven to work. Don’t skimp on SEO, SEM, meta search and email marketing.
3. Business-need driven multichannel campaigns. What are those key times of the year when you need business? Slow summers? Long winters? Do you need weeknights when you are getting in weekend demand? Plan ahead for those times with business need-driven campaigns.

### Insights into Revenue Management

The revenue management discipline has evolved quickly into a critical function for the hotel industry. There are four areas that will require specific attention in 2014 to be successful.

1. Hotels will need to focus on finding, building, and retaining revenue management talent. This is an evolving discipline, and the skill sets required are very different than either traditional hotel operations or sales and marketing. Training and certification programs like HSMI’s Certified Revenue Management Executive can assist in defining these core competencies and characteristics.
2. Revenue managers as a whole will need additional communication skills in the future as the analytics and insights they uncover need to be communicated to various stakeholders so their analysis can be translated into action and strategy.
3. Pricing optimization is a fundamental component of success, as well as the ability to do this across a wide variety of distribution channels.

4. Total revenue management is simply the expansion of analytics beyond rooms revenue for hotels. Many hotels and hotel companies are already reaping the benefits to their top and bottom lines by leveraging the same principles to function space, food and beverage, and other ancillary revenue sources of a hotel.

### Integration is key

The hotel industry is a fragmented one, with various brands, ownership and management groups. The rapid change in consumer behavior globally for all traditional group and transient market segments has created multiple opportunities for distribution channels and intermediaries to assist with customer acquisition. While many industry partners exist and do provide value, hoteliers must acknowledge that there is a cost to acquiring customers this way. The direct and indirect costs of distribution expenses, commissions, and topline opportunities from wholesale channels are growing at a rate faster than industry RevPAR growth. Thus there is a critical need for sales, marketing, and revenue management functions in hotels and hotel companies to intentionally integrate all of their customer acquisition strategies and tactics. The industry’s inability to do that will only result in excessive customer acquisition costs, marketing inefficiencies, and eroding profit margins.

2014 will be the year of integration of these functions for successful – and profitable – hotels and hotel companies.

**Robert A. Gilbert**, CHME, CHBA, is President and CEO of the Hospitality Sales & Marketing Association International (HSMI). HSMI is committed to growing business for hotels and their partners, and is the industry’s leading advocate for intelligent, sustainable hotel revenue growth. The association provides hotel professionals & their partners with tools, insights, and expertise to fuel sales, inspire marketing, and optimize revenue through programs.





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