

## Are you Listening? Don't Fight on Price! Part II



This past March, I wrote about not using price to fight your way through the recession. In a recently released report by Sheryl E. Kymes of Cornell (Successful Tactics for Surviving an Economic Downturn) it is clear that most hoteliers chose to fight the recession with price. The results? A decline in RevPAR greater than if other tactics had been chosen.

So what tactics did hoteliers find that did work for them? What will their game plan be for the next recession?

### Strategies and Tactics that Worked

Strategy	Tactic	Description
Rate-Obscuring	Value-added Packages	Included other things (e.g. F&B, spa, parking) in addition to the room for one price
	Extra Night Free	Offered an extra night for free when a guest stayed for a certain number of nights
	Opaque Channels	Used opaque distribution channels such as Priceline.com for selling rooms
	Offered Free Breakfast	Included breakfast with the room rate
	Two for One	Offered two nights for the price of one
	Prepaid F&B	Offered prepaid food and beverage packages
	Packages with Air and Car	Offered packages that included airfare and car rental
Marketing	New Market Segments	Developed new market segments that have not been approached before
	Pay per Click	Used pay-per-click advertising (e.g., AdWords with Google.com)
	Other Revenue Streams	Developed other revenue streams (e.g., F&B, Spa) within the hotel
Cost Cutting	Reduced Hours	Reduced operating hours for certain facilities
	Closed Facilities	Either shut down part of the hotel or scheduled renovations

Kimes summarizes the following lessons. 1. Don't panic 2. Be wary of broad-scale discounting 3. Don't cut your marketing budget 4. Consider marketing approaches 5. Consider rate-obscuring practices and 6. Maintain service levels. The complete article can be found at Cornell Hospitality Reports [www.chr.cornell.edu](http://www.chr.cornell.edu).

WeTrainHotels.com is an award winning, online training tool designed specifically for the hospitality industry. It was created to engage the next generation of staff through a fun and interactive web interface using the latest in web technology, video and animation.

The focus of the website is to enable hotel properties to exceed guest expectations by allowing them to focus: on the Guest; on driving *Industry Best Practices*; and on winning the war for market share while expanding profitability.



#### The Diamond Formula for Conversion Success

This is an eleven step web-based program focused on Best Industry Practices for effectively turning room inquiries into room nights at higher rates. For a sample module go to: [www.wetrainhotels.com](http://www.wetrainhotels.com)

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