

Back to Basics: Creating Value Beyond The Bedroom

By Chad Crandell

Our industry has made a sizable investment in recent years to improve the guest experience, specifically their sleeping experience. That's right, not only have we changed our beds, we've named them...heavenly bed, suite dreams bed, magic slumber bed, stay comfortable bed, to name just a few. We did this to grab market share, increase ADR and improve profits. But what really happened? Did we convert these comfy beds into hefty profits? Sure, we have all experienced a recent revenue surge, but is that the market or the bed, and how much of that increased revenue became profit? The impact of bedding on profitability is difficult to measure, as RevPAR only tells one side of the story. What we do know is that owners made a significant investment to install the perfect bed, which, by the way, is now actually costing us more to service.

But the intent here is not to discuss beds; rather, we use this as an example of a bigger issue. We seem to have become so focused on adding amenities to attract guests that we have forgotten the nature of our business - *hospitality*. So you have a state-of-the-art bed. What do guests do when they are not enjoying their down duvets? Are they eating at your hotel's restaurant, visiting your spa or heading straight out the front door? While beds are important, they should be viewed as just one of many components that comprise the whole package being delivered to guests. To truly maximize asset value and enhance the overall guest experience, we must look well beyond the guestroom walls and work to create a cohesive hotel program, one that invokes excitement, relaxation, a reason to stay - *a sense of place*.

A prime area for enhancing value and the guest experience is through food and beverage offerings. Breaking out of the stereotypical, non-descript, three-meal-a-day mentality cannot only be liberating for hoteliers, but also very profitable. Is your hotel's food and beverage experience commensurate with the target guest profile? Is the local dining market highly competitive, and if so, are there opportunities to

position outlets to compliment local restaurants rather than compete with them? Which outlets are currently profitable? Looking at each outlet's contribution to the entire profit picture will enable you to make critical decisions for positive change. A common pitfall is offering too many options, thus spreading revenue over and bearing the cost of several outlets. Look to channel business through limiting offerings or altering days/hours of operation. Also, avoid trying to be all things to all people, which usually results in a concept that appeals to no one. Rather, strive to create excitement and energy through food and beverage concepts, which will draw patronage not only in-house, but also locally.

Take a look at your retail program. The old coat closet turned gift shop does not cut it these days. Look for opportunities to offer something that enhances the guest experience and fulfills a viable need. Consider a gourmet "grab and go", lobby coffee kiosk, bookstore, anything that provides a fresh and creative way in which to meet your target guest needs.

Maximize the utilization and profitability of each available space in your hotel. It's such a simple concept, yet we are sometimes hesitant to change the originally intended use of space or to envision the spare storeroom as anything else. It is from these spaces that private dining rooms are born, additional meeting space is created, spas are expanded and fitness clubs are added – profit enhanced.

In today's operating environment several unique opportunities exist to enhance asset value beyond the bedroom, simply through focusing on achieving a sense of place for guests – meeting their needs through creative hospitality. We encourage you to critically evaluate your hotel operation to identify innovative ways in which to enhance the guest experience and increase total revenue per guest, which in turn will improve your bottom line.

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