

## Hotel Owners Nightmare: Money Left on the Table

*By David M. Brudney, ISHC, December 2006*

Hotel Sales departments across the U.S. continue to allow dollars to be left on the table because incoming inquiring phone calls - - calls made by potential clients planning a group function of some type - - are either not being handled promptly or correctly or are being ignored altogether.

Why? Because proper handling and follow up procedures are not in place, calls are not returned in a timely manner, inadequate log keeping, general overall neglect and a real absence of management interest and oversight.

Far too many hotels are making it difficult for these important callers to do business with us. Sales department telephones are not answered. Callers are put on hold endlessly. Hotel employees who do pick up the phones all too often are not qualified to answer basic questions - - not to mention confirm dates, space and rates.

Too many callers are greeted by a recording requesting the caller to leave a message. If the caller is fortunate enough to reach a "live" voice, typically that "voice" is an administrative assistant who will attempt to "qualify" the caller so the caller can then be "connected" to the "correct" member of that respective Sales team.

Unfortunately, that particular individual typically is not available at that moment (in a meeting, with a client, out to lunch, etc.), hence the caller is left with no choice but to leave a voice message and hope that the call will be returned promptly - - assuming the caller is still interested! It is alarming how many of those calls are not returned promptly. Shockingly, some calls are never returned. And, worst of all, management and ownership may never know about it.

Hotels have "shot themselves in the foot" through attempts to better organize the Sales departments in recent years. Most hotels maintain very sophisticated "exclusive market segmentation" guidelines today for members of the Sales team. Typically, assigned group responsibility can include:

### Size

- ❑ Groups 250 rooms plus

- ❑ Groups 51 to 149 rooms
- ❑ Groups 50 rooms or less

### Geographical Location

- ❑ Groups based local, state and region
- ❑ Groups based in the Upper Midwest
- ❑ Groups based on the West Coast

### Industry

- ❑ Pharmaceutical
- ❑ Insurance
- ❑ High Tech

### ***Put Yourself in the Caller's Shoes***

Sophisticated Sales department organization, horizontal and vertical market segmentation, may look impressive in marketing plans and to owners and investors, but do they serve all potential clients, particularly those off the radar screen? Let's not forget that many potential client callers are novices, first time event planners, who eschew going online because they prefer speaking live with anyone able to answer their questions directly and accurately, anyone who can help them with their task of planning and booking a hotel event.

Invariably, the caller becomes frustrated by the administrative assistant's attempts to "match" the caller with the "correct" Sales team member. That can be very frustrating because the caller's time is valuable and they just want to talk with anyone who can answer questions and advise availability of dates, space and rates.

### ***Not Everyone uses Personal Computers or the Internet***

So much attention is focused today on the Internet it is easy to lose sight of those event planners and consumers that prefer to make purchases at the place of business or on the phone.

According to a recent survey conducted by Shop.org and reported in USA Today, more than one-third of U.S. households shop online and that figure is expected to increase to 40 percent by 2009. Online revenues - - and yes, that does include travel - - will reach \$211.4 billion by year-end.

Another recent survey (J.D. Power and Associates) reports that half of all travelers now buy travel online and that even more go online solely to research their travel plans. The report also found that those who book from a 3<sup>rd</sup> party online travel agency such as Hotwire.com and Expedia.com have a satisfying experience.

Even though consumers are generally satisfied with 3<sup>rd</sup> party online travel agencies, the study found that consumers still prefer making trip arrangements directly with airline and hotel sites. Twice as many consumers, according to the study, book reservations directly with the airline, hotel or car rental agency website rather than the 3<sup>rd</sup> party online agencies.

Reasons given? Save time, money and the convenience.

But just do the numbers: we have a nation of 300 million people, perhaps as many as 100 million do not now and may never use the Internet or personal computers.

Surely among those vast numbers we can find the novice, first time event planners.

If we fail to accommodate those callers, we risk losing them to our competitors or possibly having them stop calling hotels direct, preferring instead to seek out fee-based 3<sup>rd</sup> party lead providers like Conference Direct and HelmsBriscoe, or maybe eventually dealing with the best hotel websites.

### ***What can Owners, Operators and G.M.s Do?***

What can be done to make certain that those potential event planner callers are serviced promptly and correctly? Here are a few suggestions:

**Management Inquiry.** Owner, operator or G.M. should ask the Director of Sales what program does he/she have in place to record, manage and monitor all inquiries made by telephone direct to the Sales department. Next, if one exists, ask to see it.

**Inquiry Log Maintenance.** No matter whether it be a manual or software program, make certain a log is installed that records date and time of call, caller contact info and event description (dates, space, etc., if available), who took the call and, most importantly, how long did it take to complete or *return the call*?

**Training and Empowerment.** Make certain that no matter what the title or position of the individual entrusted to take these critical incoming inquiry phone calls, those individuals have received the necessary training (and supervision) and are empowered to answer questions and confirm dates, space and rates - - should the responsible Sales manager not be available to take the call on the spot.

**Potential Client Caller Anticipation.** To better serve its customers and eliminate those dreaded long lines, super markets introduced “express lanes” serving shoppers with “15 items or less” in their carts. Smarter, marketing savvy hotels today put well-trained Sales team members on the front lines, eager and prepared to take those inquiry calls; presenting “one-stop shopping services”, booking rooms and F&B functions all at one time, specializing in groups of 50 rooms, 50 people or less.

**Quality Assurance.** Monitor the “express lane” program. Outsource independent “shopping” services to evaluate the quality and effectiveness of the program. Commit to sustaining training and retraining programs.

**Reward the Participants.** All Sales team members that participate in the “express lane” program should qualify for the same type of bonus and incentive plan programs as the other team members given bigger, more sophisticated market segments and required to produce bigger numbers. Some of the criteria for the “express lane” program may include response time, closing time, F&B and any and all exponential revenues generated.

“Express lane” team members will find the position to be a great career launching pad over time. Some of the very best hospitality Sales professionals today got their start handling group inquiries of 50 rooms and 50 people or less.

Follow these suggestions carefully, insist on implementation and supervision, monitor the progress and owners should be able to sleep better with one less “nightmare” keeping them up at nights.

Let’s always keep in mind that not everyone uses the Internet to research products and services and that despite the growing popularity of online bookings, there may always be a large element of consumers seeking a more personal, one-to-one connection before making purchases.

Hotels can ill afford not having a front line program in place, staffed by well-trained, empowered personnel, that will process these telephone calls, quickly, efficiently and professionally, converting as many as possible to new definite confirmed business.

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