



The Barriers to Next-Level Revenue Growth for Hotels

Gone Are the Days of Long Strategy Sessions

By **Kate Burda**
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During the fourth quarter of 2022, our consultants devoted a great deal of time to listening sessions with over 30 professionals, ranging from senior leaders within operations, sales, and marketing, investors and owners, and teams at hotels.

The focus of our questions were the obstacles in getting to a higher level of revenue performance. Here is what came to the surface during more than 45 hours of deep-dive conversations.



Data and Insights, but What About Execution?

Industry conferences are filled with thought leaders sharing data and information as well as myriad technology platforms.

Attendees are asking for copies of slide decks in presentations, not to mention podcasts and whitepapers, but their primary concern is not access to data, but rather how they can take that data and translate it to elicit new results within their teams.

Within operations, data and insights are used to shift tactics and processes. As an example, with customer reviews or net promoter scores, hoteliers can easily see what needs to be done and put it to action. The value chain from data to execution is clear and doesn't take much to get from here to there.



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Revenue management has a fairly clear pathway as well, where data can be used to adjust pricing and change the result.

But with sales and marketing, executing on data becomes murky and confusing. In most cases, teams go back to what they have always done because they don't have the sight lines on how to take advantage of data. Particularly today where the segmentation is unclear, they don't have other ways to distill who their focus customers are.

In conversations with a senior executives, they expressed how they have more tools than ever before with data and information. They have more systems and reports. Yet, how do they not see the revenue lift that they were expecting even where teams have more access to data?

Data is only as good as how it is executed upon. If there's no way to translate and mechanize the information, data gets left behind and teams keep doing what they have always done.

Teams Don't Have Time To Put Together the Right Strategy

Between financial reviews, reporting to their owners and investors, and other internal demands, sales and marketing teams have less time to take deep dives into strategy.

In many cases, sales and marketing leaders have been spread across more hotels, giving them even less time to work on executing on data and insights to improve their work.

Freeing up time for commercial team leaders to develop strategies will be key in future-proofing revenue performance in 2023.

Teams Aren't Sure What To Do Differently

During our conversations, we often heard that teams are going back to the basics. A revealing point that was echoed: "If we want to get back to the results of 2019, we are going to do what we did in 2019."

But the weather has changed. It was clear that sales and marketing, which is charged with creating demand, isn't sure how to shift its approach.

Bringing in outside thinking to challenge the status quo can be uncomfortable because it's unfamiliar to what we have always done, but it is needed to remain relevant to customers and to keep and retain talent within sales and marketing teams. Talented team members have a desire to do things differently.

Don't bring the sales and marketing approach of yesterday and believe that it is effective for today. Develop the skills and competencies of sales and marketing teams at all levels.

Teams Have Become a Function of Reporting Activity

Commercial teams have more demands in reporting and reviews not only for internal management, but for owners, investors and other stakeholders.

In some cases, organizations were so focused on activity of sales teams that it resulted in teams artificially inflating that activity.

A great deal of time was deployed to accountability or financial reviews.

As an example, a team's time deployed to reporting either internally or to owners and investors was two hours per month, excluding time for preparation. Time deployed to strategy or skill coaching was 15 minutes a month.

Reporting should focus on outcome and impact of the strategy and the work in place. Move away from reporting activity and move to measuring effectiveness, impact and speed to market.

Kate Burda is CEO and founder of Kate Burda & Co., a consultancy focused on improving revenue performance.