

# THE OVERVIEW

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OCTOBER ISSUE 2019



## Setting Goals...

UNWTO looks to transform  
the sports tourism sector.

### Featured inside

Picking up the phone -  
the OTAs plateau **P10**

Summer growth in pubs  
and restaurants **P18**

# Welcome to THE OVERVIEW

**T**he latest spending review to be emitted by the government may not have been given the coverage it deserved and that's hardly its fault. Even the prime minister got up to leave when Chancellor Sajid Javid was due to speak and was told to sit back down and listen. It seemed Boris Johnson had other things on his mind that day, like losing 21 MPs.

But unlike the trees which fall in the woods, spending reviews happen even if no-one is listening, and this one included £241m to help regenerate high streets. This statement followed an announcement from Johnson the previous week that the £1bn Future High Streets Fund would expand to 50 more towns, as part of the government's plans to reshape town centres and high streets.

The concerns of the high streets have been no stranger to these pages, as pubs and restaurants have suffered over the past year.

Despite the promise of cash, it was felt that the government was failing to

address the key elephant in the room, that of the impact of business rates, the rise of which has been found at the heart of most of the high street's faltering businesses.

John Webber, head of business rates at Colliers International, said: "Such spending in itself will not be enough to counter the impact of the 2017 business rates revaluation and introduction of downward phasing. It just simply won't go far enough to help retailers struggling with their current rate bills. It would be much better to get to the heart of the high street's problem immediately and to plan the funds to remove downwards transition and reduce the multiplier now. Without that many retailers in many of our towns will stay under threat, stores will be closed and jobs lost, countering much of the government's investment plans."

With such lavish spending planned, the sector must wait to see whether the issue of rates is addressed, or whether it is revenue for the coffers which cannot be lost.

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Cloud-based hospitality software for hotels, groups, apartments and pub chains



# End of an era

## HOSPA CEO Jane Pendlebury reflects on the lessons from Thomas Cook Group

It is very sad news for the travel industry to see the demise of Thomas Cook Group currently dominating news headlines.

It's been said that Thomas Cook didn't move with the times, failing to keep up with technology. Whilst that may be true to an extent, I don't believe that's entirely fair or accurate.

These are changing times and, thanks to the wonders of the internet, so many of us now create our own holiday packages, booking flights and accommodation separately. The ease with which this can be done has created competition that would have been incomprehensible 25 years ago, let alone 178 years ago when Thomas Cook was first founded. No doubt Thomas Cook, the man himself, will be turning in his grave. He set up the company in Market Harborough in 1841 to organise railway outings for the local temperance movement. Fast forward to 2019 and his company employed 22,000 staff in 16 countries serving 19 million customers each year with annual sales of £9 billion. He'll no doubt have been looking down proudly for many of those intervening years.

I have heard news reports and a radio phone-in where listeners have berated the other airlines for 'cashing in' on the Thomas Cook collapse by hiking their prices. However, it's very unlikely that there's anyone sat there in BA or Virgin HQ rubbing their hands with glee and pushing up the cost of flights – it will be an automated process as we all know. The

**The next big industry threat is not the OTAs, but internet technology giants like Google and Amazon who know so much about each of us and make it so, so easy for us to spend our money.**



revenue management systems will react to the massive increase in demand and reflect that in their prices. But is it fair? Should there perhaps be a cap imposed in these exceptional circumstances?

Around 15 years ago I worked for Visit London (now London and Partners). When we were working on the Olympic bid, part of my remit was to encourage the London hotels not to unreasonably inflate their prices during the period of the games. History had shown that some Olympic cities had seen unfair / unreasonable pricing which had caused significant knock on damage to the tourism business both before and after the main event. Back in 2004, most of the branded hotels played ball and allocated at least two thirds of their rooms to LOGOG (London Organising Committee of the Olympic and Paralympic Games) for the 2012 London games at pre-agreed, reasonable rates.

Back to Thomas Cook, and the radio phone-in; the discussion turned on to hotels raising no show / cancellation charges for guests who cannot reach their destination due to cancelled flights. Is that fair? Well, it's certainly not the hotel's fault that the guest has not turned up, so, from their perspective; yes, it is fair. However, the guest may not see it that way, of course. Hopefully the hotels will endeavour to re-sell these rooms and avoid raising these charges, but it will

surely be an excellent example used by travel insurance companies when selling their wares in the future.

This whole topic takes me back to the presentation that I first saw at HITEC and re-created at a recent HOSPA members' meeting. The next big industry threat is not the OTAs, but internet technology giants like Google and Amazon who know so much about each of us and make it so, so easy for us to spend our money. It might not be long before we're booking flights, accommodation, spa and golf treatments, airport transfers and even our holiday reading all through a one-stop-Amazon-Basket. Changing times, indeed.

Whilst Thomas Cook may be being criticised in the news for its technological stagnation, we're launching a new website – but the two are in no way related! Don't worry, it's not a panic-stricken attempt to ensure we stay on the pulse; it's been long in the planning. However, we're still fine tuning it, so all feedback is welcome. Please visit [www.hospa.org](http://www.hospa.org) and let me know what you think. We will keep it fresh through the blog and news section, as well as our events, of course, so do visit regularly to see the latest updates.

**Jane Pendlebury**

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# Celebrating success!

This month we talk to Simon Leech, Assistant Financial Controller of the Sheraton Grand Hotel and Spa in Edinburgh.

Simon achieved the highest marks in his group when he completed Stage 2 of the HOSPA Financial Management course in August 2018 and then again for Stage 3 which he recently completed in August 2019.

Simon embarked on his hospitality career by undertaking a 'Welcome Host' course at Cameron House as part of his sixth form studies, which led to him working at Beardmore Hotel in Dalmeir during a gap year, before studying hospitality at Robert Gordon University in Aberdeen.

Upon graduation, Simon joined Hilton hotels in Aberdeen as an Income Auditor, moving to the Hilton Caledonian within the revenue department. However, an interest in finance saw Simon join this department as F&B Controller.

After a productive 6 years, during which he was retained through the centralisation of Hilton finance within Scotland as a Cluster Finance Officer for Edinburgh, Simon then moved to the Sheraton Grand. Joining the Sheraton as F&B Cost Controller responsible for procurement and cost of sales, Simon then became more involved in the finance department, taking on an additional role



as cashier, and cross training with other roles including AP and AR.

He then trained as an Assistant Financial Controller, which included the reconciliation of balance sheets and monthly P&L preparation, before being promoted into the role permanently.

Of his time as a HOSPA learner, Simon said:

"The main advantage of the course is being able to link this all back to the text and resource material. Some finance courses are generic, however with HOSPA the examples and case studies are relatable to our industry, allowing you to take learnings from the studies and apply them to your own working environment."

Ultimately, Simon is looking to move into a Director of Finance role.

## HOSPA Awards Ceremony

We will be celebrating the achievements of all our learners at the HOSPA Awards

Ceremony to be held on Thursday 23rd January 2020 at the Soho Hotel, London.

The event commences with a panel debate with expert participants chaired by Professor Peter Jones MBE, Chairman of the HOSPA Professional Development Committee.

We will then be celebrating the attainments of all our highest achieving learners on the HOSPA Revenue Management and Financial Management programmes with a presentation of certificates and the announcement for the "Learner of the Year" for both programmes. The afternoon concludes with a celebratory Afternoon Tea.

We will also be presenting our company awards for "Commitment to Education" in Financial Management and in Revenue Management.

For more information please contact [education@hospa.org](mailto:education@hospa.org)

"The main advantage of the course is being able to link this all back to the text and resource material. Some finance courses are generic, however with HOSPA the examples and case studies are relatable to our industry, allowing you to take learnings from the studies and apply them to your own working environment."

# Independent Hotel Show 2019

Now in its eighth year, the Independent Hotel Show, presented by James Hallam Insurance Brokers, is checking in to Olympia London on 15 and 16 October where it will deliver inspiration and practical insight to the luxury and boutique hotel community.

**T**he premier business event will bring together over 6,500 hospitality professionals and offer pioneering solutions to help transform guest experience and boost revenue. With a carefully curated collection of over 350 hotel suppliers and innovators, new products and services will be showcased which share the aim of helping hoteliers and their businesses flourish.

More than 50 technology exhibitors, from creators of booking platforms like eviivo and Avvio to digital guest room solutions such as DigiValet, will be at the show to demonstrate how technology can support hoteliers in their aim to deliver great service to their guests.

Guests will find ways to streamline efficiency, discover new trends and be inspired at this year's Independent Hotel Show. The world's fastest growing hotel company, OYO Homes & Hotels will be on hand to advise independent hotels on business growth with education on capabilities in technology, revenue management and operations, while enhancing the guest experience through investing in and transforming small to mid-sized hotels.

In addition, Loyalty Pro, providers of one of the UK's most advanced loyalty schemes to hoteliers and independent retailers, will be showcasing the very latest in loyalty innovations proven to increase sales and profitability. Loyalty Pro will have a team of experts on hand to showcase the latest technologies available that enable hotel owners to attract and retain customers, while being quick and easy to operate. The team at the show will also give

visitors an insight into the management information that's made available to users of the systems.

Following the recent integration of Property Management System HotelTime and Atomize Open two-way API, the hotel industry is being propelled into a transformation where intelligent data-driven, cloud-based solutions are developing and becoming more accessible. Visiting hoteliers can expect to learn about Atomize's top rated revenue management systems and how to put them into practice for optimum expansion.

With technology more prevalent than ever before at the Independent Hotel Show 2019, apps such as Criton's will be demonstrating how hotels can save time and costs associated with creating and printing in-room guest information whilst making their businesses more sustainable. Julie Grieve, CEO and founder of Criton, partner to this year's live installation, The Conscious Bedroom, explained that: "An app created with Criton enables hotels to get rid of the old and dusty guest directory and digitalise all guest information."

Enlightening discussions on pertinent topics, from wellness to online best practice and featuring industry-leading speakers from hospitality and beyond, are free to attend. At the Innovation Stage, in partnership with eviivo and designed by House of Sloane, eviivo

will be delving into the world of online booking services with the latest web tools to ensure you're working as smartly as possible. A panel of industry experts will also provide practical tips on how to present your business online to maximise direct bookings.

HOSPA's own David Pryde, Chairman of Information Technology Committee and Head of IT at Strand Palace Hotel, will delve into 'The Dark Art of Digital' to unpick how the hotel industry is embracing new products and technologies; from AI and automation, to biometrics and virtual concierges. It promises to be an A-Z of opportunity that's sure to leave you inspired.

Over at the Hotel Vision Stage, in partnership with Quality in Tourism and designed by Graham and Green, the Competition and Markets Authority will lead a discussion titled Online Practices: The Good, The Bad and The Illegal. Drawing out what harmful online sales practices look like, why the wider industry must be alert to them and how to do the right thing, the session will give insights to marketing, IT and general managers into the preservation of their hotels' online reputation. Elsewhere, TripAdvisor's director of destination marketing, Justin Reid, will be taking an honest look at the opportunities on TripAdvisor, hospitality's most divisive website with 390 million monthly users.

HOSPA will be exhibiting on Stand R12. To register to attend the Independent Hotel Show 2019, visit [independenthotelshow.co.uk](http://independenthotelshow.co.uk).

# The emerging trend of Total Revenue Management

Criton's latest eBook sheds the light on what Total Revenue Management is and why is everyone talking about it.

**A**ward-winning technology provider Criton has released an eBook to provide hoteliers with the know-how to adopt a new approach to revenue management. Total Revenue Management relates to capturing mostly untapped revenue and profit potential, associated with hotels' non-room revenue-generating opportunities, including food and beverage, function space, catering, spa, retail, golf, and other services.

Today purely heads on beds is not enough. The hospitality sector is beginning to diversify product offerings and looking at how to improve revenue throughout the duration of the guest's stay. For properties that offer more than rooms, there is the opportunity to implement new revenue practices to improve the overall value of the guest. Room-only properties should look at businesses and services in the local area to support the delivery of additional products.

Total Revenue Management is about adjusting hotels' sales approach from revenue per available room (RevPAR) - the traditional way of measuring revenue - to revenue per guest (RevPAG).

## Embracing change: key revenue drivers of Total Revenue Management

All revenue sources need to be reviewed and optimised to produce enhanced performance and feed into the wider revenue management strategy. This will depend on the size of the hotel and the range of services and departments provided. Key revenue drivers will include:

### 1. Rooms

As the central revenue driver, optimising the performance of rate is critical to success. Therefore it will be important to hold regular performance reviews, which will assess room rates, pricing structures, booking channel commissions, and seasonal patterns. It will also be important to look at market segmentation to optimise specific aspects of selling rooms rather than sticking to the status quo.

Identifying opportunities for upselling will improve revenue generation. This might be looking at multi-night packages, multi-room bookings, data-sensitive dates, early check-in or late check-out.

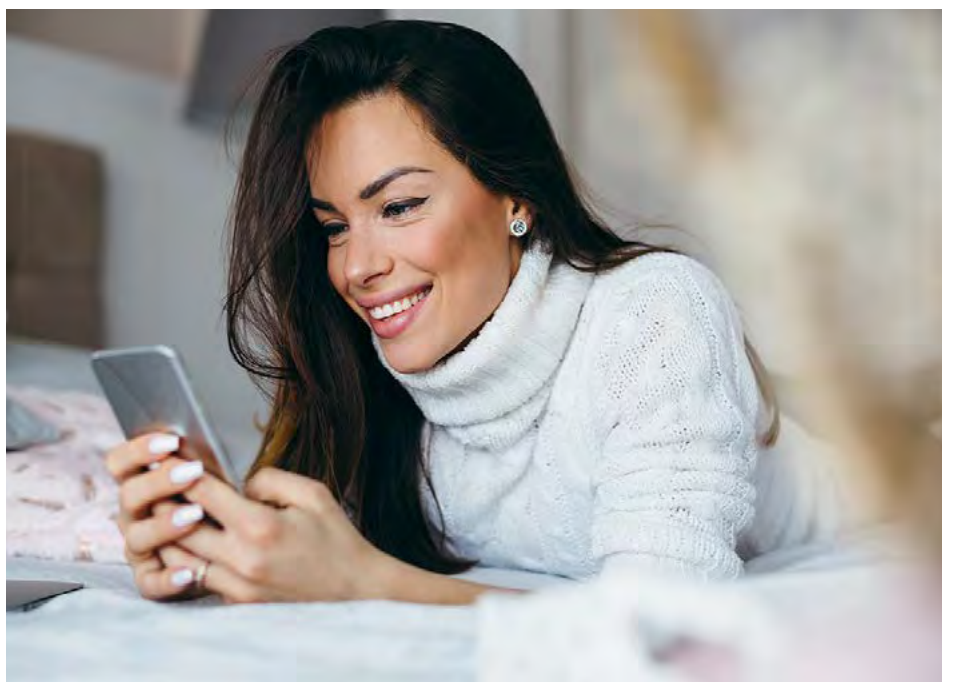
It's essential to involve housekeeping to contribute additional guest service ideas,

and to revise room turnaround schedules to support flexible check-in/ check-out times.

### 2. Food and beverage

Other than the typical package options which include breakfast, or an evening meal for two, technology can play an essential role in promoting special offers and reminding guests of food and beverage options. Using a mobile app to allow guests to make in-room orders allows your products to be more visible.

Taking the time to assess how and when guests use food and beverage services, by looking at table turnaround, seating, order analysis, staff productivity and menu engineering, can improve service delivery and guest satisfaction.



This data also helps to assess the value of each guest and to calculate the likelihood of extra revenue per guest.

### 3. Corporate events and business services

More businesses need access to space for co-working, training, and regular meetings, which are all potentially lucrative revenue streams. Startups always need a space from which to grow or interview candidates, WeWork is an example of how co-working in social spaces could be a perfect fit for hotel environments, or freelance photographers

**Total Revenue Management is about adjusting hotels' sales approach from revenue per available room (RevPAR) - the traditional way of measuring revenue - to revenue per guest (RevPAG).**

needing a space for a photoshoot.

Reviewing high-value corporate and business clients based on revenue by hour and lifetime value will enable the hotel to focus on specific corporate segments. Furthermore, providing guest services to corporate bookings will work as an additional driver of revenue.

### 4. Spa and leisure

Hotels are beginning to see the value of spa and leisure services beyond their guests to the local community. Opening the availability to local people can bring a new lease of life to the facilities while generating easy revenue.

If you have no spa or leisure facilities, partnering with a local provider can add real value to your overall offering.

In addition, being part of a loyalty scheme can ensure you have returning customers. Therefore offering location-based special offers will drive interest during quiet periods. Any customer of the spa and leisure facilities can also use the food and beverage facilities.

## Ancillary product

It's important to look at how to expand the guest experience. Creating themed offers including family, romantic, relaxation, or pet-friendly packages helps target specific groups, enabling the bundling of services and high-category room types.

Introducing a hotel app for guests and developing partnerships with local restaurants, attractions or experiences will help add more product if there are limited facilities at the hotel. Offering business travellers co-working spaces or business services or making parking available, adds to the range of options.

Creating a list of possibilities with the wider hotel team can identify products and services that are ripe for becoming ancillary products, and begin to change their mindset to focus on revenue-generating opportunities.

The eBook is available on Criton's website.

# HOSPA

The Hospitality Professionals Association  
Professional Development

## Learn more about Revenue Management with HOSPA

This **modular programme** is delivered online and provides an opportunity to study in-depth the revenue management strategies and techniques applicable to the hospitality sector. You will benefit from:

- ✓ Expert **online** tuition and guidance from leading practitioners
- ✓ Up-to-date web based course materials
- ✓ Free subscription to the online **Journal of Revenue and Pricing Management**
- ✓ A convenient way to study
- ✓ Relevant and practical work based learning
- ✓ HOSPA Associate (Cert Revenue Management) **membership** on completion of the full programme
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# A less rocky road

HOSPA's Jim Doyle talks to Microtek about the latest EPOS and IT trends.

**H**OSPA members fully understand the importance of providing a smooth seamless customer facing service using the latest technology.

The ability to combine service provision with collection and utilisation of Key Performance Indicator Data simultaneously is what makes the Electronic Point of Sale [EPOS] systems that the Hospitality Sector embrace such an important part of making that first point of contact with our customers truly special.

I recently had the pleasure of interviewing Rash Nila, the Managing Director of one of the key players in the EPOS sector, Microtek Ltd. Based in West Yorkshire, Microtek has customers and dealers spread across the UK. Microtek's Vision is to deliver effective EPOS & IT solutions for the Hospitality & Retail sectors that enhance its clients' service experience.

## **Rash, please tell HOSPA about yourself and Microtek.**

It has been a fascinating journey, Jim. After 10 years as an electronic engineer I became part of the 'buy-out' team that formed ITL Ltd in 1990 [from ICL Ltd]. I consolidated my EPOS experience as Technical Director. ITL continued to supply repair services on EPOS equipment and secured contracts with major UK companies as either their direct service partner or as their third party service partner. In addition to the repair side of the business ITL Ltd created a lucrative brokerage centre and a parts supply department. In 2004, I bought the

business and renamed it Microtek Limited.

I drove the installation of a state of the art technical laboratory that offered the facility to provide to customers detailed board (PCB) repairs at component level including BGA\* rework. This has enabled Microtek to support the importation and distribution of EPOS hardware and peripherals and the acquisition of a software house.

## **What is your opinion on the current state of the EPOS market?**

I feel the current market limits the choices of the end user, pushing and enticing them more towards cloud-based subscription services with tied in contracts. I believe giving the consumer control of their purchase is vital so therefore we offer both one-off payments and payment plans with no hidden fees.

## **Where is the Microtek space in the EPOS Industry?**

Traditionally we have specialized in embedded EPOS systems, particularly within Uniwell hardware. However, demand from the market has prompted us to develop partnerships with selected hardware manufacturers and EPOS software partners, 'ICRTouch' and 'CES Software' more recently.

## **What are Microtek's future goals?**

Recently we have put in motion the means to add to our dealer network. Dealers are close to their markets whether they be existing business owners expanding their reach or entrepreneurial start-ups. For example in a new restaurant, EPOS is the tool which can record an order, send the detail of that order to both 'back office' and kitchen thereby allowing commencement of meal preparation and informing stock management processes, as well as collecting data for customer billing purposes, and telling the boss how efficient front of house staff have been. Now is a great time to be working in the EPOS reseller network.

## **Tell us about Microtek's Repair & Services Department?**

As a classic repair centre our focus is on maintaining new and old IT/ EPOS, to repair economically, quickly and sustainably. Today we support large multi-nationals, by repairing and refurbishing their entire 'repair loop', or by holding and delivering OEM warranty programs. We also support regional resellers with end-user machines. Our services range from Mainboard/PCB\* component level repairs, through to assessment and modular 'swap outs' of HDDs\*, Memory, Touch-screens, LCDs\* right through to providing a kitting and replenishment service. Every unit can be repaired - we make it happen!

## **What are Microtek's plans for bringing more awareness of EPOS online?**

We have recently developed a brand-new website to serve as a community hub for our dealer network and customers. Social media wise we are focusing on providing business and EPOS news from around the world to our networks, whilst also providing free advice in the form of blogs and editorials. We encourage readers to check out our social media platforms to stay up to date. And we hope to see HOSPA members at our stand at the Restaurant & Takeaway Innovation Show at ExCel in November 2019.

Find out more at [www.microtekuk.com](http://www.microtekuk.com) or call 0113 238 7300 or email [enquiries@microtekuk.com](mailto:enquiries@microtekuk.com).

Jim Doyle is a Fellow of HOSPA and provides non-executive solutions, constructive challenge and strategic perspective for a portfolio of clients across the Humber Region and North East.

\*PCB = Printed Circuit Board, BGA = Ball Grid Array, HDD = Hard Disk Drive, LCD = Liquid Crystal Display

**"I believe giving the consumer control of their purchase is vital so therefore we offer both one-off payments and payment plans with no hidden fees."**

# Tourism breaks records

International tourist arrivals grew 5% in 2018, to reach the 1.4 billion mark, two years ahead of the World Tourism Organization's long-term forecasts, according to the UNWTO International Tourism Highlights, 2019 Edition. At the same time, export earnings generated by tourism grew to \$1.7 trillion, an increase of 4%, outpacing the world economy in 2018.

**T**otal export earnings from international tourism grew by 4% in real terms in 2018. In addition to the \$1.5 trillion in receipts that destinations earned, international tourism generated another \$256 billion from international passenger transport taken by non-residents. This raised total tourism exports to \$1.7 trillion, or \$5 billion a day.

Released as the UNWTO prepares to meet for its 23rd General Assembly in Saint Petersburg, Russian Federation, this yearly report provides a consolidated analysis of international tourism. 2018 was the ninth consecutive year of sustained growth and tourism now represents 7% of global exports, growing at a faster rate than merchandise exports for the last seven years.

"This latest edition of our Highlights demonstrates the strength and potential of the tourism sector," said UNWTO Secretary-General Zurab Pololikashvili. "These results were driven by a favourable economic environment, a growing middle class in emerging economies, technological advances, new business models, increased air capacity, affordable travel costs and visa facilitation. UNWTO is committed to ensuring that this continued growth is managed in a responsible and sustainable way and tourism is rightly seen as a key driver of social and economic development, job creation and equality", he added.

Other key findings from the UNWTO International Tourism Highlights 2019 report include:

- Asia and the Pacific and Africa led growth in arrivals with a 7% increase



in 2018, while Asia and the Pacific and Europe enjoyed above-average growth in tourism earnings.

- Among the world's top 10 destinations in arrivals and receipts, France continued to lead in international tourist arrivals, while the United States remained the largest tourism earner in 2018. Japan entered the top 10 earners ranking following seven years of double-digit growth in international tourism receipts.
- The top 10 tourism earners account for almost half of total tourism receipts, while the top 10 destinations in arrivals receive 40% of worldwide arrivals.
- China remained the world's largest spender, with \$277 billion spending on international tourism in 2018 or one-fifth

of international tourism expenditure, followed by the United States.

- 4 out of 5 tourists visit a destination in their own region.
- 58% of all international tourists arrive to their destinations by air. The share of air travel has increased from 46% in 2000 to 58% in 2018.
- The share of leisure travel has grown from 50% in 2000 to 56% in 2018. Leisure travel is the main purpose of visit in all world regions except the Middle East, where visiting friends and relatives, or for health or religious purposes predominates.
- The share of world population requiring a traditional visa declined from 75% in 1980 to 53% in 2018.

# Calling in consumers

How your phone system can pick up where OTAs are falling off.

There was a time when travel agents were the only way to book travel. You called them or went into their offices, told them where you wanted to go, and they did all the annoying work of talking to airlines and hotels for you.

Then came OTAs — online travel agencies. Sites like Expedia, Booking.com, Kayak, Travelocity, and many others launched in the late 1990s and early 2000s, allowing consumers to book flights, hotels, rental cars, and even attractions like tours and sightseeing, all in one place.

But since then, another shift has been in the making. Customers are moving away from OTAs and toward handling things themselves again. They don't need a middleman of any kind, digital or otherwise. For hoteliers, there's an opportunity here. When customers call your hotel to book rooms without the help of a travel agent or OTA, your phone system can make sure they have the most convenient possible experience.

## Have OTAs plateaued?

Expedia launched in 1996 — a product of Microsoft, and backed by Microsoft's money. Today, Expedia Group employs 22,000 people across its network of OTA brands, including Travelscape, Vacationspot, Travelocity, Orbitz, HomeAway, and others. Expedia Group is responsible for \$99 billion in gross bookings every year — 31 percent of bookings between the major OTAs.

But all that money has to come from somewhere, specifically, the hotel's profit margins. In the heyday of the OTAs, hotels were willing to give up some of their valuable margins in exchange for unprecedented distribution. Now, with the rise of Google Maps, search engines, mobile apps, and other methods of finding hotels, they don't need as much help finding customers anymore.

In addition, hotels would rather keep

customers' loyalty in-house. When a customer shops through an OTA, they see a long list of hotels all next to each other. They can filter by various features, but really, price is king. A customer who's spent their last ten nights in one hotel chain will have no qualms about jumping to another if the price is better.

That's why hotels would rather earn customers' loyalty by providing a unique, personal experience. A pool and a continental breakfast may not be enough to keep people coming back, but a positive booking and customer service experience certainly can.

## Talking to guests

With a VoIP phone system, you can modernize your hotel's technology and provide the best possible experience for your guests, keeping them coming back for more nights.

An internet-based phone system can let you apply your guests' names to room extensions, letting outside callers find guests by name even if they don't know the number. You can

set up guest extension voicemails, break down call costs on a room-by-room basis, and create high-tech meeting and conference facilities. You can even automate room service and housekeeping to add ease and convenience to your guests' stays.

Another benefit of a digital VoIP system is that it will help you save your desk staff's time for what matters. Common requests like wake-up calls and guests asking what time the restaurant opens for dinner can be handled by an automated system, freeing up your front desk staff for more important human interactions that delight your guests and build loyalty.

Perhaps most importantly, a VoIP system can bring your bookings into the 21st century. Customers are using OTAs less and less, opting instead to just search for hotels in the area they're staying by themselves. With a digital, automated booking system, you can smoothly find availability, book rooms, and take payment over the phone.

## Keeping up with trends

Technology is always changing, and successful businesses have to be flexible to stay on top. Digitizing your phone system will not only catch you up with the most current trends in hotel booking, but it will give you the flexibility to change your systems as the world changes. If you want to keep your customers coming back, a fantastic experience is the way to do it.

### About the author

Frank Melville is the CEO & President and one of the founding members of Phonesuite (phonesuite.com). His passion for the hospitality industry and deep understanding of both telephony and hospitality drives Phonesuite's success.

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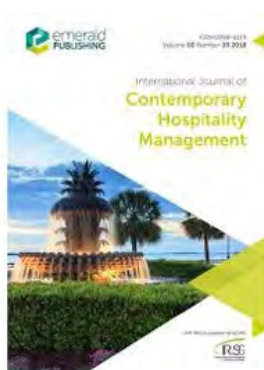
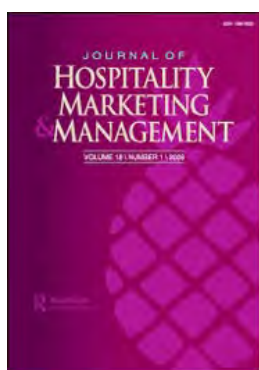
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# Top tips to help cut cancellations

Guests reveal their top priorities when booking hotels which could help hoteliers reduce cancellations.

- Last year, almost 40% of hotel bookings in Europe were cancelled
- Hotel location and reviews are top decision-making factors when choosing a hotel
- 38% of people found flexible cancellation equally as important as the hotel facilities
- A more personalised booking experience for guests can help avoid cancellations

Last year, a European wide study uncovered that almost 40% of all hotel booking in Europe were cancelled by guests<sup>1</sup>, prevailing the growing attention needed on customers attitudes to booking.

Technology has become the forefront of how guests book their hotel and experience their customer journey, in fact a recent study conducted by Guestline revealed that 100% of people use or have used the internet to book their hotels.

The study of 2,000 UK participants delved into how people book their hotels and their main priorities and desires when choosing one.

In addition, a worldwide data analysis of over 7 million hotel booking data processed through property management systems (PMS) between April 2018 and March 2019 shows: 19 per cent of hotel bookings through the major booking portals (OTAs) have been cancelled<sup>2</sup>. On the other hand, only 0.43 per cent of direct bookings were cancelled, making it evident how direct bookings minimise cancellation risk.

Yet, with the likes of Booking.com and Expedia offering flexible cancellation arrangements, there's no surprise that expectations have risen for all hoteliers to offer booking cancellation options

on their site, as it has become the norm for consumers.

The biggest question hoteliers want answered is how can they reduce their booking cancellations and increase their direct bookings?

## Customers attitudes to booking a hotel have become more personalised

Keeping ahead of the game as a hotelier means knowing what guests want most from their experience. Over half of the respondents in the study (65%) said they would like to have the option to add food & drink extras to their room on arrival, with 45% of people wanting up to date technology devices in the room.

It will come as no surprise that over a third of people are led by price incentives and usually book the lowest rate they can find, even if it is non-refundable, reiterating that pricing needs to stay competitive within its range.

It was also revealed that 37% of people cancel their hotels because they have found a better offer elsewhere, confirming that a portion of people are considering

this to be a big decision-making factor when booking their stay.

A hotel's location was found to be the top decision-making factor with 74% considering this as the primary thought when choosing a hotel. Interestingly over third of people found flexible cancellation equally as important as the hotel facilities, strengthening the importance of allowing guests to stay flexible with their booking options.

"Customers will take the best offers they can find when booking a hotel, and although control over hotel location and reviews can be limited, offering a more competitive rate though direct booking alongside flexible cancellation options could be an organic way to increase bookings on site and offer something that OTA's cannot" said Rob Gorby, Chief Marketing Officer at Guestline.

The safety and security of card details and paying online also sat within the top five priorities for guests, this came out higher than the quality of the website - such as design, navigation and picture quality. With 38% of people finding this the fourth biggest priority when booking their hotel, it is essential to provide compliant

### The top 5 priorities people considered when choosing their hotel

Rank	Decision Making Factor	Percentage of people
1	Hotel location	74%
2	Hotel reviews e.g. TripAdvisor	54%
3	Hotel with free cancellations	42%
4	Safety of online card payments	38%
5	Website quality i.e. modern, HQ photos	26%

payment and booking processes which have reliable security measures which are seamless and efficient.

## Stay flexible with free cancellation options

Free cancellation provided by hotels is a growing trend which is becoming a desirable option for guests when choosing where to stay. It was found that 35% of people believed it to be vital to have a 'free cancellation' option, otherwise they would be tempted to book elsewhere.

The question is, why do guests rely on a free cancellation so much? 37% said that it is important to them as they like to keep their options open and have the ability to compare offers and then choose the best one, in case a better rate crops up elsewhere.

This indicates another reason why price incentive is a huge player in securing a full payment booking from guests. Surprisingly, 19% of people would pay extra to have a free cancellation option (up to one day

before arrival), something to be mindful of if you are a small hotelier that relies on full payment at the booking stage.

## Keep your booking journey customised

Hotels might struggle to provide such last-minute cancellation policies and therefore maximising retention of their bookings and reducing cancellations can be utilised in other aspects of the hotels booking process.

Having the option to customize your stay provides guests with a personalised experience and feel more valued as a customer. Over half of people would like to be asked by their hotel if they have any special requests before confirming with their hotel which infers the need to tailor the booking process to be more particular to each guest.

"Guests want more from their booking and check-in experience. As technology allows us to offer a more personalised experience to each individual, it is important for hoteliers to utilise the opportunity and

ask them if they would like to add anything extra to their room before arrival.

Other options could be as simple as adding a diary invite to the guest's mobile phone with all hotel information and a map of the location, the survey actually found that 45% of people would like this feature.", comments Rob Gorby, Chief Marketing Officer at Guestline.

It was also found that the option of adding 'free fruit and water' as an extra to the booking process was of interest to the majority (62%) of people, showing a little goes a long way.

These small features you can add onto the customers booking journey can be the difference between guests choosing a direct booking with your site rather than through OTA's.

<sup>1</sup> <https://www.hotelmanagement.net/tech/study-cancellation-rate-at-40-as-otas-push-free-change-policy>

<sup>2</sup> Data source: Guestline property management and distribution systems



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# Setting goals

The UNWTO has launched the first Sports Tourism Start-up Competition, as sports tourism offers many locations a new angle on travel, both for participants and those looking to be inspired.

**T**he UNWTO Sports Tourism Start-up Competition is designed to identify projects and innovations that can transform the sports tourism sector in the near future.

Increasing demand from tourists and the growing influence of sports on destinations' popularity have combined to make sports tourism one of the segments with the greatest potential for socioeconomic development opportunities, attracting growing levels of government interest. The 1st UNWTO Sports Tourism Start-up Competition, launched by UNWTO and BIHUB, with the support of QNTC, is looking for start-ups with disruptive ideas focused on solving real needs and addressing knowledge gaps in the growing sports tourism sector.

In all, 20 start-ups will be shortlisted by a panel of international experts and sports and tourism stakeholders, drawn from the public and private sectors, academia and civil society. The shortlisted start-ups will be announced on the competition's website. The panel will then select five semi-finalists who will all be invited to Barcelona to pitch their ideas to sports experts, government representatives, tourism business leaders and international investors.

"We are pleased to be partnering with the Barça Innovation Hub to harness the potential of sports tourism to stimulate creativity, innovation and sustainable growth. Through this competition, start-ups with disruptive visions can propose new ideas that will allow the sports tourism sector to contribute to the Sustainable Development Goals. We thank BIHUB for their vision and collaboration and, as we move towards the 2022 FIFA World Cup in Qatar, we thank the QNTC for their support for this exciting project," said UNWTO Secretary-General Zurab Pololikashvili as he opened the competition.

As part of the partnership with QNTC, the winning ideas will also be considered for implementation in Qatar, which is gearing

up to host the FIFA World Cup 2022.

His Excellency Mr. Akbar Al Baker, Secretary General of QNTC, commented, "At QNTC we believe sporting events have a unique power to bring people of the world together, and that is also why sports tourism is a key focus area in our tourism vision. We look forward to seeing the innovative ideas that will come through the inaugural Sports Tourism Start-Up Competition and hope that one of them will come to life in Qatar."

Marta Plana, Director of BIHUB, added: "We are very pleased to work together with UNWTO to develop tourism in relation to the sports industry, a growing sector, and identify companies with the talents to help achieve this. Barcelona is a city linked to design and innovation, and a tourism hub. At BIHUB we want to make Barcelona the Silicon Valley of the sports industry and to use our experience as a tourist attraction, with the FC Barcelona museum the most visited in the Catalan region and more than 4 million people visiting our ground every year."

As Tokyo prepares to host the Olympics next summer, the contest remains one of the most hotly-contested amongst potential hosts because of its perceived impact on economies. In preparation, Tokyo has eased visa requirements, expanded duty free programmes and changed customs and immigration rules to promote tourism in a drive to spur the nation's overall economic growth.

In March, the Japan Hotel Reit said that the number of inbound visitors had increased at a faster pace than the government's target of 40 million in 2020 and 60 million in 2030, with close to 29 million visitors last year, a 19.3% increase on the prior year. The group said that demand for domestic travel had been stable, rising by 0.8% on the year.

The Reit illustrated the increase in supply, particularly in Tokyo and Osaka. Across Japan, supply was expected to

grow by 4.2% this year, then 2.4% and 1.3% in the subsequent two years. In Tokyo, this year the city was expected to add 10.1%, followed by 5.6% and 2.7%. Osaka was forecast to see 9.8% growth this year, then 8.8% and 5.1%.

The group said that its prime investment targets remained full-service hotels and resort hotels, that had high barriers to entry due to operation and management know-how, capital outlay and locations.

The Reit said: "In addition to stable domestic leisure demand, due to the government policy to promote tourism nation, the number of inbound tourists, mainly from Asian countries, is continuing to rise. Amid such growth expectation for Japan's tourism and hotel industries, although there is some impact by supply of new hotels and minpaku (private lodging for a fee), demand for accommodation is expected to continue steadily, driven by domestic and inbound leisure demand."

The performance of Japan's hotels has continued to build, with figures from STR for the year-to-date September last year showing 2.6% revpar growth. The only fall was in Osaka, pulled down by mid-tier hotels.

According to the country's tourism authority, demand had continued into this year, with visitor numbers up 9% on the year for January. South Korea and China were the leading source markets.

The global operators have been eager

**"At QNTC we believe sporting events have a unique power to bring people of the world together and that is also why sports tourism is a key focus area in our tourism vision."**

to hoist their flags during the country's expansion, with Marriott International announcing the opening of its first property in the country under the W brand, opening in Osaka in 2021.

The most-recent Olympic host, Brazil, saw a record number of international tourists in 2016, boosted by the Olympic Games, counting 6.6 million foreign tourists.

Income from tourism rose by 6.2%, to 6.2 billion dollars, in 2016 compared to 2015, according to the ministry, with the most tourists coming from neighbouring Argentina, followed by visitors from the United States.

The ministry said that Brazil's tourism industry registered a bigger Olympic bounce than any previous host nation. The previous hosts, Britain in 2012, registered growth of only 1% in its tourism.

"We still have a lot to do to benefit in an efficient manner from the image legacy of the Olympic Games," Brazil's Tourism Minister Marx Beltrão said.

Of those who visited Brazil last year, 95% intended to return, according to a tourism ministry survey.

Before Rio, London hosted the Games and the results were mixed. The number of people visiting Britain in the summer of 2012 fell due to the Olympics, but Games tourists spent so much that they made up for the drop in numbers, according to official figures.

The Office for National Statistics a total of 3 million foreigners visited the UK in August, down 5 per cent from 3.15 million last year.

The ONS estimated that 590,000 people in July and August normally resident outside the UK had visited and attended at least one ticketed Olympic or Paralympic event, of whom 420,000 visited primarily for the games.

"Figures from previous Olympics show that it is normal for the host country to experience a dip in international visitors during the Games," said Gillian Edwards, spokesperson for the Association of British Travel Agents.

"We would expect a tourism boost from the Games to come in the next few years and it will be essential for the UK to continue to market itself at home and overseas to make the most of the opportunities that being a host nation has opened up."

The average spend by visitors who attended at least one ticketed event was

£1,290 - almost twice as much as those who did not.

"Normal visitors stayed away and the Olympic visitors didn't make up for it," said Miles Quest from the British Hospitality Association, who added: "But London hotels were very busy in August with over 90% occupancy rates and revenue also up."

Howard Archer, chief UK and European economist at IHS Global Insight, said: "It is undoubtedly true that some overseas residents would have been deterred from visiting the UK during August by the anticipated congestion - especially in London - from the Olympic Games. However it is also likely that strained purchasing power and low consumer confidence in many countries was also a factor weighing down on the number of overseas visitors coming to the UK in August."

It's a mixed bag. The 2004 Olympics in Greece was seen as a coming home for the event and almost two third of Athen's hotel rooms were renovated, according to the ETOA, anticipating a swarm of muscle-bulging athletes and those who would admire them. In the event of the event there were accusations of profiteering, threats of strikes and occupancy in Athens reached 61%. Some blamed the hosting on the subsequent financial crisis. The 2004 Olympics is now used as a cautionary tale when pushing for your city to host the Games.

For those looking to sports tourism, it seems that all sports all the time may not be the solution. Instead, tourism bosses have started to look to sports to fill in gaps. One of the greatest successes of these has been the growth of summer sports in regions which have traditionally relied on snow for their annual income. Motivating this, in part, has been the shifting

climate, which has made the ski season increasingly unreliable.

Since 2009, the mountain resort of Morzine in France has seen revenue for their Multi-Pass scheme, which allows walkers access to the mountains via the lift network and use of other activities available in the area, almost double, from €472,000 in 2009 to €935,000 in 2017.

General Manager of Elevation Alps, Kathryn Leake, said: "We have seen summer tourism grow and grow in Morzine during the past five or six years and the recent figures from the tourist office confirm just how popular it's becoming here all year round. It's not surprising because when people discover the amount of activities on offer in Morzine during the summer, they come back again year after year and we think this is helping to fuel that growth. Despite the numbers increasing, it's still possible to stay in Morzine for less than it costs during the winter, although we are already selling out fast for some of the busiest weeks of the summer.

"There's also been a 36% increase in mountain biker lift journeys across the whole Portes du Soleil area since 2012, with 796,191 lift journeys made in 2012 and 1,087,000 made in 2017."

Morzine offers mountain biking, road cycling, hiking a sports complex, tennis courts, adventure parks, horse riding and family-orientated events. Those looking to profit from the rise of health and experience-driven activities would

do well to look at how they can keep guests fit, if they can't be inspired by watching others.



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# Pub and restaurant groups maintain summer momentum

Britain's managed pub and restaurant groups saw collective like-for-like sales grow 1.6% in August against the same time last year, with drink-led pubs, and especially those in London, being the best performers, latest figures from the Coffe Peach Business Tracker show.

**T**he weather, as is often the case, played a big part in shaping sales, with the hot weather in the run-up to and during the bank holiday weekend boosting pub trading and suppressing restaurant sales," said Karl Chessell, director of CGA, the business insight consultancy that produces the Tracker, in partnership with Coffe Group and RSM.

"The good news is that, even with the uneven effect of the weather, the underlying performance was 1.6% up on last August, following growth of 1.2% in July," Chessell added.

"These are solid numbers generally with pub sales again outperforming restaurants partly helped by the weather. Consumer habits are changing fast especially in the restaurant sector, evidenced by The Restaurant Group announcing that they are to close up to half of their mainstream restaurants over time. Until recently these were seen as the best portfolio of sites in the market and demonstrates the difficulties being experienced by many restaurant chains," said Mark Sheehan, managing director at Coffe Corporate Leisure. "Only the exceptional are performing well. The pub sector by contrast is resilient. Pubs are generally unbranded and don't suffer from the often-limited lifespan a brand may face."

Managed pub groups recorded like-for-like sales growth of 2.4% for

the month, with drink-led sites ahead 4.1%. "Drinking pubs in London were the ones that really benefitted from the mini-heatwave, with a 5.0% like-for-like boost," observed Chessell.

Pub groups saw drink sales up 3.8% over the month, with food sales marginally down 0.1%.

Restaurant groups had a more subdued month, following a good July, with collective like-for-like trading down, but only by 0.2%.

Paul Newman, RSM's head of leisure and hospitality, said: "Despite ongoing political uncertainty and with the UK on the cusp of a recession, Britain's drink led pubs had much to cheer in August with sales buoyed by the long, hot days that ended the summer. The news for restaurants was less upbeat as consumers look to balance their household budgets by cutting back on eating out. With underlying costs outpacing top line growth, we fear some food operators will struggle to meet upcoming quarterly rent bills which could lead to further casualties in the UK mid-market dining sector."

Regionally, London performed better than the rest of Britain, with like-for-like trading up 2.9%, against 1.2% for outside the M25. Restaurant groups in the capital were also in positive territory, up 0.5% against minus 0.5% outside.

Total sales across all companies in the Tracker, which include the effect of net

new openings since this time last year, were ahead 4.3% compared to last August.

Underlying like-for-like growth for the Tracker cohort, which represents both large and small groups, was running at 1.7% for the 12 months to the end of August.

The Coffe Peach Tracker industry sales monitor for the UK pub, bar and restaurant sector collects and analyses performance data from 55 operating groups, with a combined turnover of over £9bn, and is the established industry benchmark.

Customers are moving away from OTAs and toward handling things themselves again. They don't need a middleman of any kind, digital or otherwise. For hoteliers, there's an opportunity here. When customers call your hotel to book rooms without the help of a travel agent or OTA, your phone system can make sure they have the most convenient possible experience.

# Juicing up

This month sees the Foodservice Price Index continue to climb upwards, as it again hits its highest ever level.

**T**he Mineral Water, Soft Drinks and Juice category has been on an ever-increasing climb since September 2018 and shows no sign of slowing. As we reported last month, premiumisation and new products in adult soft drinks are adding to inflation in this market. Adult soft drinks have become one of the fastest growing drinks categories, with 1 in 5 adults choosing not to drink alcohol.

This swing in drinking habits has resulted in estimated sales of £11.3 billion per year in 2018, up 15.4% in 5 years. The explosion of new lines exhibiting more clever packaging and refined flavour profiles is further aiding the premiumisation of the category. The 'craft craze' for soft drinks is growing and is expected to reach a market penetration of 10% -20% in 5 years. Alcohol alternatives offer a new opportunity for foodservice operators to gain a premium on price, and this alongside new innovations and developments costs, result in the inflation we see in the index today.

The Coffee, Tea and Cocoa category has also seen a large increase this month with the index showing an increase of 7.2% month on month. However, it is likely that prices will start to fall again, as the spike in pricing is caused by fears of frost in some of the key coffee growing areas of Brazil. These concerns have now dissipated, and global supply has not been significantly affected, we therefore would expect the price to fall back as long as we see no further worsening of exchange rates.

Contrary to the traditional seasonal drop, the Fruit category is one of the only food categories in June to see month-on-month inflation. As we reported last month, fruit is usually dependable for reductions at this time of year, but the continued issues in finding willing fruit pickers in the UK have resulted in lower yields forcing wholesalers to resort to importing more fruit from European



countries such as Italy and Spain. This brings with it exchange rate issues, as the weak pound continues to perform poorly against the euro.

In more positive news for the Meat category, the index has again seen a decrease in prices both year-on-year and month-on-month. Favourable UK weather

for lamb has resulted in quicker than usual finishing times, which has kept lamb prices roughly in line with the five-year average, and considerably lower than this time last year. This is also complemented by the current cattle prices, which are sitting well below the five-year average, hitting a price as low as 334.4p/kg.

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# Profit discord at UK hotels

In a scenario that's becoming exceedingly familiar, and one that illustrates the frequent occurrence of revenue and profit misalignment, RevPAR at hotels in the UK hit a high in July, but GOPPAR turned negative, sapped by rising costs, according to the latest data tracking hotels from HotStats.

**J**uly is historically a peak month for UK hotels, with high occupancy enabling premium pricing that helps fuel top-line performance.

This year was no different, with hotels recording a 1.0% increase in RevPAR to £117.25, led by 86.6% room occupancy coupled with a 1.5% year-over-year increase in average room rate to £135.52.

The growth in RevPAR was supported by increases across all hotel departments, including a 1.1% increase in total F&B revenue on a per-available-room basis, which helped contribute to a 1.2% increase in TRevPAR to £166.25.

Regrettably, the revenue rise was roiled by rising costs, led by an increase in payroll, which was up 3.6% YOY on a PAR basis.

As a result, GOPPAR fell by 0.7% in the month to £71.68 PAR. Though this was more than 70% above the YTD 2019 figure, it was yet another month of profit decline on the back of solid RevPAR growth.

"UK hoteliers have now recorded a YOY profit decrease in six of the last seven months, while over the same period have recorded a decline in RevPAR just once," said Michael Grove, Managing Director, EMEA, at HotStats. "It's incumbent on hoteliers to find areas to reduce expenses in order to enable higher flow through."

Even London was not spared the

ignominy. GOPPAR was down 0.2% YOY even as RevPAR rose 0.7% to £185.14.

The RevPAR recorded in the capital was a recent high and led by a room occupancy of just under 90% and an achieved average room rate of £206.90.

A 5.2% YOY increase in ancillary revenues, to £52.38 per available room, added to the positive revenue growth story and contributed to the 1.7% increase in TRevPAR, which hit £237.52.

However, payroll costs in the city have escalated significantly in the last 12 months, increasing by 5.5% YOY in July alone, pushing profit levels into negative territory.

Conversely, July was one of the strongest months of the year so far for hotels in Liverpool, as profit performance soared by 10.6% YOY to £33.59 per available room.

The city hosted a slew of major events and festivals, including the Netball World Cup, held every four years.

The increased demand for accommodation resulted in room occupancy reaching its highest level in 2019 at 86.5%, which, combined with an average room rate that climbed 9.0% YOY to £79.30, resulted in a 7.4% YOY RevPAR increase.

Despite the strong performance this month, it has been a mixed year for hotels in Liverpool and at £28.69 for YTD 2019, GOPPAR remains 2.9% behind the same period in 2018.

## Profit & Loss Key Performance Indicators – Total UK (in GBP)

KPI

### July 2019 v. July 2018

RevPAR: +1.0% to £117.25  
TRevPAR: +1.2% to £166.25  
Payroll: +3.6% to £41.78  
GOPPAR: -0.7% to £71.68

## Profit & Loss Key Performance Indicators – London (in GBP)

KPI

### July 2019 v. July 2018

RevPAR: +0.7% to £185.14  
TRevPAR: +1.7 to £237.52  
Payroll: +5.5% to £52.36  
GOPPAR: -0.2% to £117.79

## Profit & Loss Key Performance Indicators – Liverpool (in GBP)

KPI

### July 2019 v. July 2018

RevPAR: +7.4% to £68.59  
TRevPAR: +6.0% to £93.07  
Payroll: +3.4% to £24.34  
GOPPAR: +10.6% to £33.59



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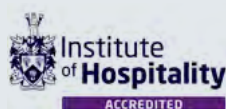


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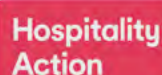
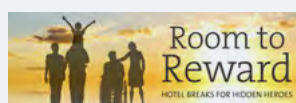


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- ✓ Senior Hospitality Business Directors
- ✓ Hospitality IT Professionals
- ✓ Financial Controllers and Accountants
- ✓ Revenue and Distribution Managers
- ✓ General and Commercial Managers
- ✓ Young aspiring employees wanting to develop their skills & meet with industry specialists



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