You cannot ignore mobile web browsing?

As mobile web browsing grows by 61.5% in the USA the autumn “Mobile Strategies in Travel Conference”, which is being held in Chicago, will debate how to exploit the mobile channel and build m-commerce partnerships.

In 2009 more potential customers will be researching hospitality products and services via their mobile phone. In the three months leading up to Christmas 2008, in the midst of the global recession, new EyeforTravel research shows the average number of Americans who browsed the internet via their mobile phones grew by an incredible 61.5% from the same period in 2007.

Many companies have recognized this and are busy experimenting. Big players in the travel industry are at last seeing ROI on mobile initiatives. Many travel organizations from airlines to hotels to intermediaries are experimenting. No one knows for certain exactly how mobile communications will develop and what the “killer app” will be but with over 1/3 of web savvy travel companies investing in mobile resources in 2009 (source: EyeforTravel) it makes sense to start making plans or risk being left behind.

The threats need to be understood as companies will need to provide mobile services or risk losing customers. With 4.6 billion global mobile users by 2011 and a 61.5% growth in mobile browsing, a very high percentage of your online distributed product will be sold through a new channel. The impact on CRM and driving ancillary and non room revenue will be just as important.

In order to exploit the potential that the adoption of any disruptive technology offers the wise company will use this period to capture market share. It is clear, though, that travel distribution is evolving again. Travel led the e-commerce revolution and it is predicted that it will lead with m-commerce as well as market share and mobile travel brands can be built relatively cheaply

An indication of the importance of m-commerce is reflected by the range of contributors to the Mobile Strategies in Travel Conference which include Intercontinental Hotels Group, Hilton Hotels Corporation, Hyatt Hotels Corporation, Google, Microsoft Corporation, Travelocity Business, Continental Airlines, Delta Airlines and American Airlines.

London Hotels the most resilient in Europe

Inn May 2009, occupancy levels in the London hotel market increased by 1.5 percentage points compared with May 2008. Whilst average room rate declined by 5.4%, London hoteliers were able to decrease their payroll expenses by 1.6%, resulting in a decline of just 2.9% in profit per available room (IBFC*).

This positive result for the UK is contained with the “European Chain Hotels Market Review – May 2009” published by TRI Hospitality Consulting. Jonathan Langston, TRI’s managing director, says that, “the ability of London hotels to achieve occupancy levels in excess of 80% despite the recession reflects the strength of demand in the city. Additionally, London hoteliers have maintained a tight control over payroll expenses as a response to reduced revenue levels, reflecting the flexibility of the British workforce relative to several continental European countries.”
Elsewhere in Europe, Warsaw hoteliers have embarked on a strategy of driving average room rate levels at the expense of room occupancy, resulting in an increase of 3.7% in average room rate and a decline of 8.0 percentage points in room occupancy levels.

This strategy has allowed the Warsaw hoteliers to contain the decline in rooms RevPAR relative to other eastern European cities including Prague, which experienced a decline of 27.1% in RevPAR. Typically, it has been found that it is easier to build occupancy than increase average room rate in the aftermath of reduced demand levels and Warsaw hoteliers will be well positioned to drive RevPAR as the market recovers. In overall terms, however, Warsaw achieved the lowest room occupancy and average room rate of the ten cities in May 2009, resulting in a rooms RevPAR of €60.93.

- **Average room rate declines in Amsterdam and Prague**

Amsterdam and Prague experienced declines of over 20% in average room rate in May 2009 relative to the same period last year. However, despite a decline of 20.2% in average room rate, Amsterdam’s chain hotels achieved the highest rooms RevPAR in May 2009, which, at €131.76 per available room, was ahead of London (€127.31) and Vienna (€117.20).

Despite achieving a relatively high rooms RevPAR, profit per available room (IBFC) in the Vienna hotel market declined 37.1% in May 2009 compared to May 2008 as a result of the combined effects of reduced earnings and continuing high levels of expenses. The lowest profit per available room (IBFC) of €32.57 was achieved in the Brussels hotel market, which experienced a 34.9% decline in profit per available room (IBFC) relative to the same period last year.

- **Pace of decline moderates**

Despite all ten cities experiencing a decline in profit per available room (IBFC) in May 2009 relative to the same period last year, there are some positive signs in the market. In all ten cities, in profit per available room (IBFC) terms, the pace of decline in May 2009 compared to the same period last year moderated relative to the pace of decline in April 2009.

According to Langston, " whilst a recovery in the hotel market may not be imminent, the gradual easing of the rate of decline in all city markets surveyed is a sign that the worst may have passed."

**Happy Hyatt customers!**

Hyatt Hotels Corporation has achieved record-breaking customer satisfaction scores after implementing a new solution to improve the business operations involved in all aspects of servicing groups and meetings.

The solution creates a seamless integration between Hyatt’s own proprietary sales system, Envision, with Newmarket International’s hosted sales and catering solution, Daylight™. Envision handles the leads and booking and Daylight manages the servicing of the group once on-site. This complete solution is designed to improve how sales management, catering and convention service managers, and the operations group are able to manage Hyatt’s group and meeting business.

Prior to the integration, the communication between departments was driven by the Banquet Event Order (BEO), containing all the details of an event, which overloaded departments with information that was not always relevant. Hyatt’s operations and catering managers spent valuable time deciphering this information in to establish what was actually required to execute an event. This will be a familiar scenario to many hospitality managers.

The Envision / Daylight integration has changed how the operations group and catering services team receives information. Today, Hyatt utilizes Daylight’s reports to communicate the details regarding what each department should do to specifically service a group. Newmarket has developed a comprehensive
reporting system designed to provide targeted catering reports by department which are automatically scheduled and distributed to team members to provide the most current information.

“The benefit of utilizing reporting is the information is delivered in real-time and the detail is more focused for each department, resulting in understanding expectations so we can deliver an exceptional experience for our customer,” states Steve Enselein, Vice President, Catering and Convention Services, Hyatt Hotels Corporation. “As a result, our customer satisfaction scores are at the highest level they have ever been, our catering and convention service managers get over 90% top box scores, and our problem incidents have been reduced by a third, which has greatly improved the work culture. Customers will have a superior experience driven by consistent service levels at all Hyatt properties.”

**LINKS**

EyeforTravel: http://www.eyefortravel.com

Newmarket International, Inc: http://www.newmarketinc.com

TRI Hospitality Consulting: http://www.trihc.com

*IBFC = Income Before Fixed Charges*