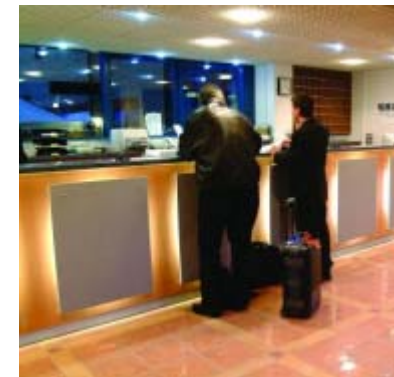
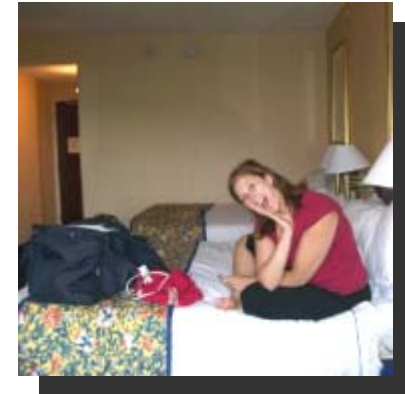


# Opportunities in current hotel environment: what's working, what's not

Prepared for NZ Hotel Industry Conference  
By Bergent Research  
May 2009



# A real case study of success in troubled times

- Opened first hotel in 1961 in Canada
- Opened in UK in 1971
- Opened in US in 1976
- Succeeded through 7 economic crises
  - 1960, 1970 & 75, 1980 & 82, 1991, 2001
- How?
  - last time luxury was no longer in vogue, **increased** advertising & refurbished
  - in really tough economic times, increased staff loyalty and so service while cutting costs by keeping staff on 4 day weeks
  - first to introduce comfortable beds, fluffy towels, lit makeup mirrors, fancy toiletries and hair dryers
  - first with European-style concierge service and in-hotel spas
- Now has 83 hotels in 35 countries
- Now worth \$4 billion



## Bergent Research

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# Bergent understands Hotels, Tourism and Leisure

- We've spent the last 22 years
  - helping businesses find answers to complex Hotel, Tourism & Leisure questions
  - working closely with clients to understand what their guests value
  - delivering actionable, affordable and timely insights



We draw on our experience in different sectors to get the right answers



# Current climate sucks brands & sales are suffering

*“A brutal climate that has punished nearly every one”*  
NYTimes, 30 Jan 2009

# Tourism is dead, no one is buying and everything is on sale

**STAY & PLAY** with Heritage & CityLife Hotels  
**WIN INSTANT PRIZES!**  
 Valid April - Sept 2009

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**FREE NO-FE**

**THE EXPEDIA S**  
**FREE**

**Sydney**  
 from **\$142\***  
 2 nights accommodation  
 per person twin share

**SKI FOR FREE\***

**Save up to 30%**  
 For 48 hours only, all hotels will be marked down dramatically.  
 Thousands of properties from 1-star to 5-star.  
 Price reductions apply to new bookings.  
 Valid for stays through Dec. 31, 2008.

**Fly ForLess.ca** 1-866-656-3761

**Best Hotel prices Worldwide**

apore	from <b>\$24</b>
aii	from <b>\$57</b>
	from <b>\$74</b>

**Book Any Flight WITHOUT BOOKING FEES**

**Hotels.com**  
 up happy  
[Click here](#)

**CONFERENCE CASHBACK**  
 card for every  
 \$1000 you spend on your event\*  
 + FREE use of data projector

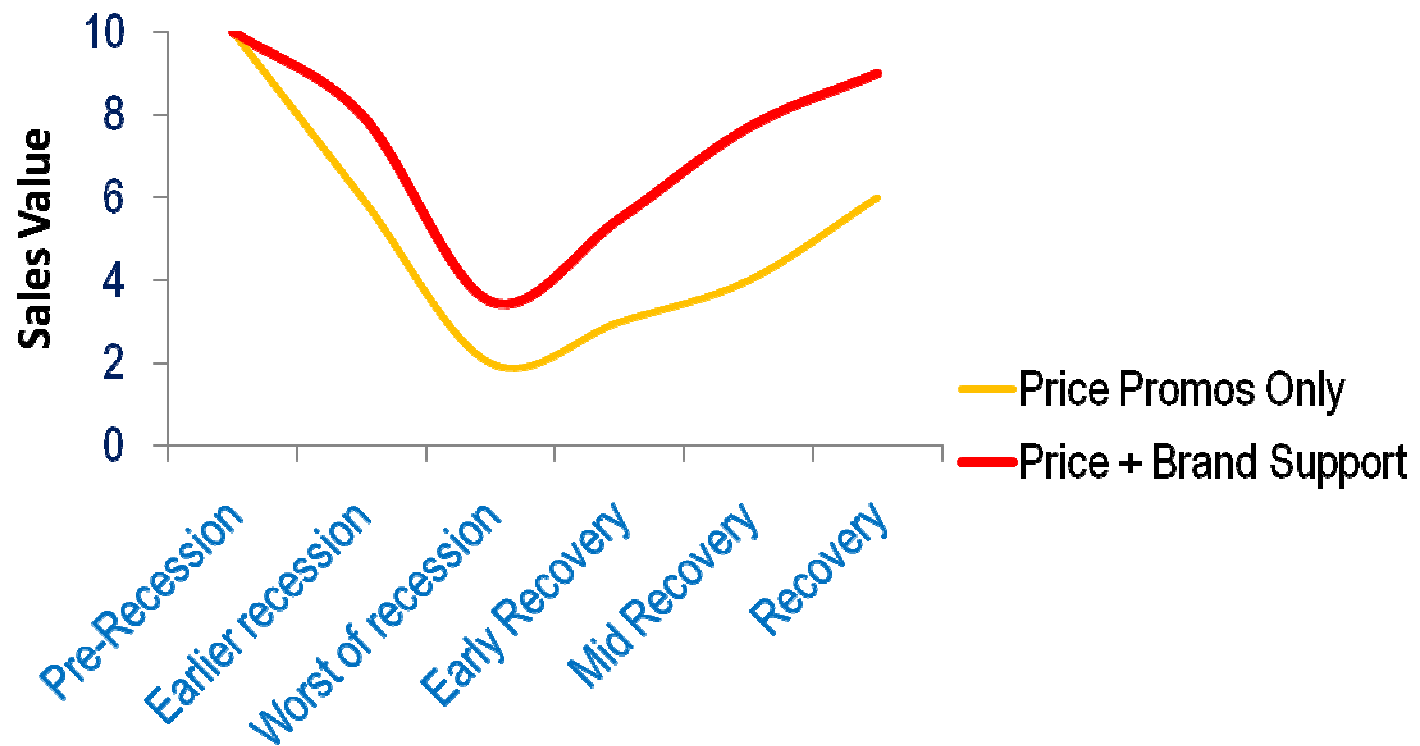
## Price dropping may get you a room night, but...

- When everyone is on sale, it's a level playing field
  - price is no longer a reason to pick one brand over another
  - brand values become even more critical
    - brand value drops as guests see they've been ripped off in the good times
- Actually, not a level playing field
  - slippery slide to ruin

*Saleprice + Salesdrop = NOprofits*

# Building Brand Value helps, in the short & long term

- Reviews of various companies' performance in the previous recession, clearly shows
  - brand promotion as well as price promotion works



## Singapore Airlines maintains brand values



SERVICE BEYOND YOUR EXPECTATIONS,  
FARES WITHIN YOUR MEANS.

Book at [singaporeair.com.au](http://singaporeair.com.au)  
or at any travel agent.

SINGAPORE AIRLINES  
A great way to fly



The key to improving sales is giving guests  
what they really want

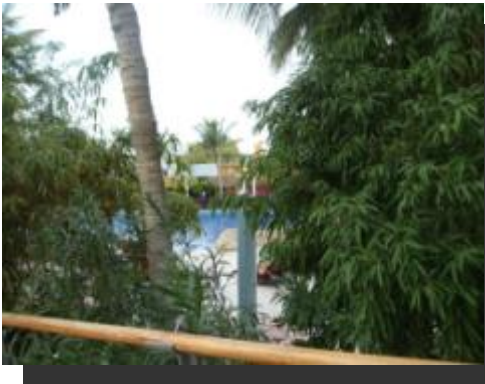
And it's not necessarily a lower price!

## This means...

1. Understanding the sort of things guests want
2. Identifying the wants that drive sales and the wants that are a waste
3. Asking the right questions to measure the wants that sell

# 1. Understanding the sort of things guests want

# Is it luxury?



Yes, but

# This is luxury...



NO NEED TO  
DINE ALONE

Siggis  
AT THE PONY OFFICE

ENJOY TAPAS AT SIGGI'S

\$24

Special Tapas Offer  
Includes a trio of tapas and a glass of wine

Your choice of three Tapas from:

- Parmesan Crumbed Artichokes
- Cured Duck Breast, Pickled Cherries
- Anchovy Stuffed Olives with Japanese Bread Crumbs
- Creamed Wild Mushrooms
- Fresh Fig, Prosciutto & Labneh
- Beef Tartare, Egg Yolk

And your choice of wine from:

- 2006 Paringa Estate Pinot Noir, Mornington Peninsula, VIC
- 2005 Katnook Merlot, Coonawarra, SA
- 2006 Stefano Lubiana Pinot Grigio, TAS

Relax at the bar and enjoy your personal choice of delicious tapas selections served from 5.30pm Tuesday to Saturday.



39 Edward Street Brisbane QLD 4000  
Phone 07 3221 1999  
[www.siggis.com.au](http://www.siggis.com.au)

# And this...



**4 BUSINESS SAVER ESSENTIALS**

**WE MEAN BUSINESS**

At Stamford Hotels and Resorts, we're serious about delivering the premium Hotel experience for business guests. Enhance your stay with our Business Saver Package. Take advantage of the great value business extras and receive 24 Hour In Room Broadband Internet Access, Buffet Breakfast for one in the Hotel restaurant, Two Shirts Pressed and 10% off Food and Beverage during your stay\*.

Our Business Saver can save you up to 33% off the recommended retail price\*.

**STAMFORD**  
HOTELS AND RESORTS  
*... Exceptional in every sense*



**1**  
24 Hour In Room Broadband Internet Access\*

**2**  
Breakfast for one in the Hotel restaurant\*

**3**  
Two Shirts Pressed\*

**4**  
10% off Food and Beverage\*

**WE MEAN BUSINESS**

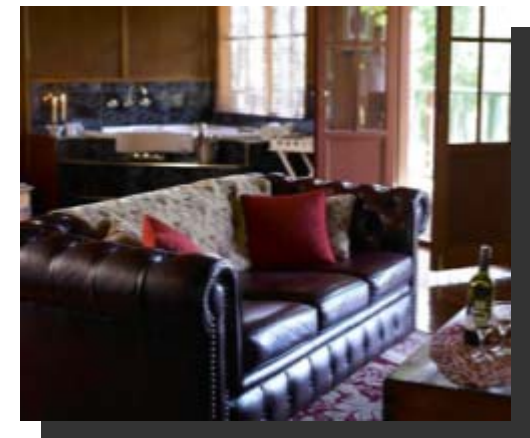
At Stamford Hotels and Resorts, we're serious about delivering the premium Hotel experience for business guests. Enhance your stay with our Business Saver Package. Take advantage of the great value business extras and receive 24 Hour In Room Broadband Internet Access, Buffet Breakfast for one in the Hotel restaurant, Two Shirts Pressed and 10% off Food and Beverage during your stay\*.

Our Business Saver can save you up to 33% off the recommended retail price\*.

**STAMFORD**  
HOTELS AND RESORTS  
*... Exceptional in every sense*

## And for some luxury is...

- Quiet
- Easy
- Pampering
  - with OR without the spa component
- Modern design
- 'Men's club' luxury with chesterfield lounges



# Luxury means different things to different people



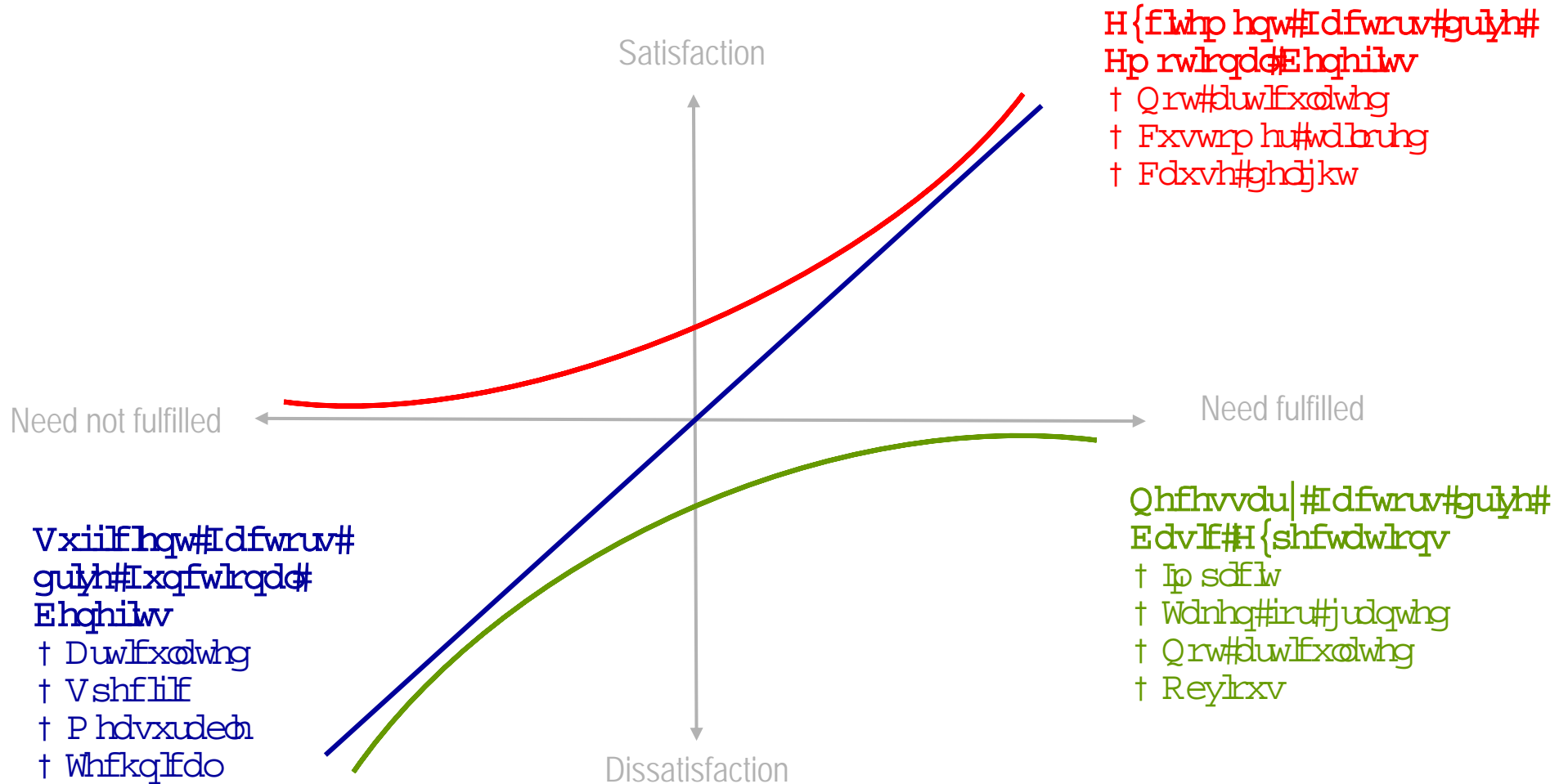
The list is endless, what should you be doing?

## 2. Identifying the wants that drive sales and the wants that are a waste

# A bit of well proven science

- Kano Model of customer satisfaction
  - Professor Noriaki Kano 1983
  - winner of 1997 Deming Prize

# Different offers deliver very different returns



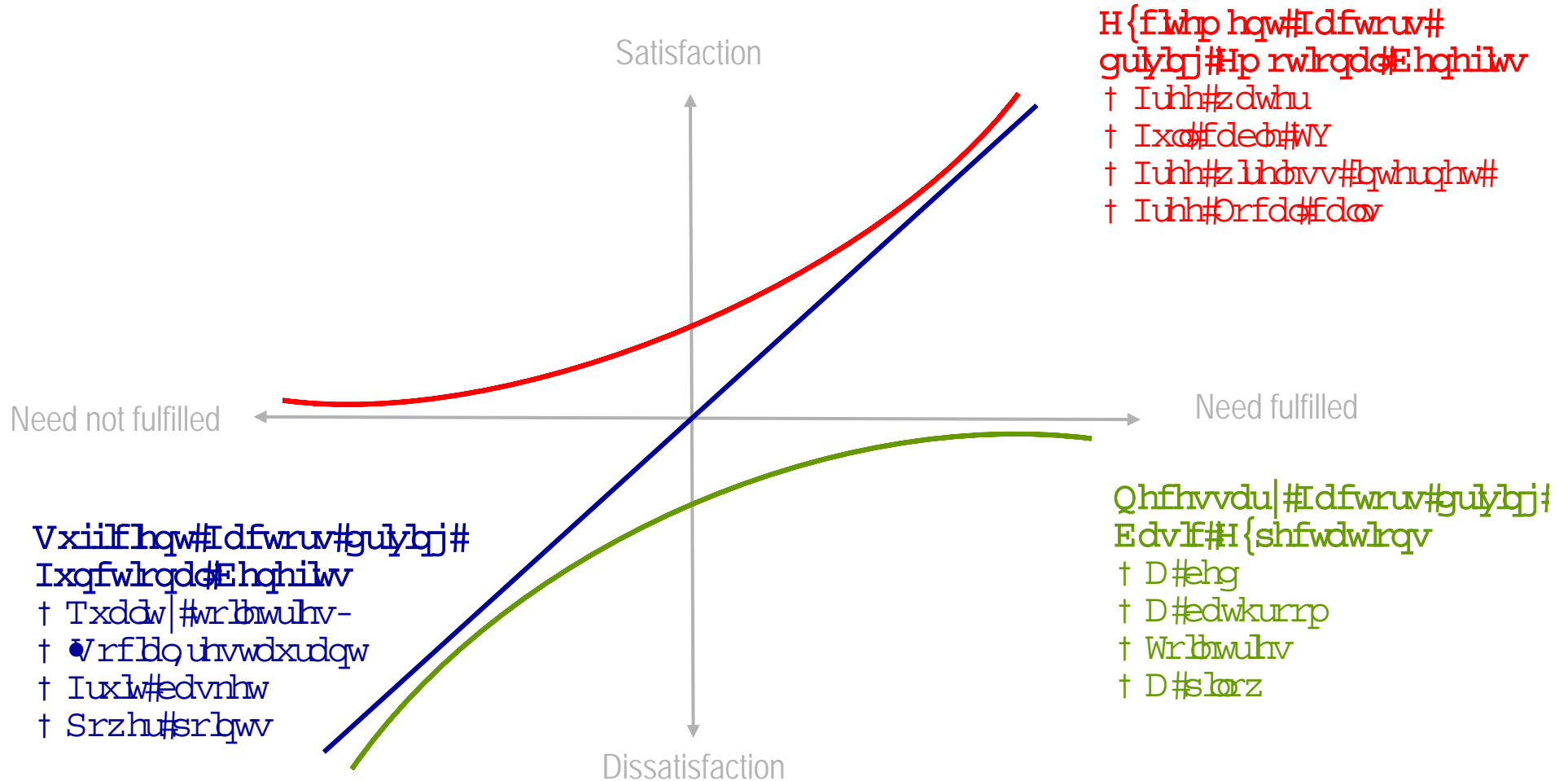
# These offers exist at each touch points

Touch Points

Execution types

---

# An example of in room offers are...



### 3. Asking the right questions to measure the wants that sell

# Current guest satisfaction surveys don't work

- Designed, often badly
  - to answer key operational performance indicators

NOT

- Uncover what guests really want
- Encourage increases in room spending
- Drive repeat business

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vwxii/#wk | #vkrxog#sd | #p h ¶

·Wkh | #kdyhq w#khs hg#p h/#  
z k | #vkrxog# #khs#wkhp ¶

# Is this a good measure?

Comments

We'd be happy to hear from you

Did our employees take care of you in a friendly, efficient and responsive manner?  Yes  No

Overall, what did you like best about your stay with us?

How could we improve your overall stay?

Did our employees take care of you in a friendly, efficient and responsive manner?  Yes  No

Please let us know the names of any employees with whom you had a particularly memorable interaction.

Are you a member of the Starwood Preferred Guest® program?  
 Yes  No

Optional:

Your name

Date of stay

Room number

E-mail address

Thank you for your feedback.  
Please drop off this card at the front desk.

# One hotel, 4 different tools; How annoying

Age:  18-30  31-40  41-50  51+

Gender:  Male  Female

How did you hear about us:  
 Word of mouth  Travel agent  Company  Colleague

How many nights have you spent in any hotel over the past year:  
 0-10  11-25  26-50  51+

Nationality:  
 American  Asia  Australia/NZ  Europe  Middle East  North Africa

Purpose of visit:  
 Business  Leisure  Tour  Conference

**Your Level of Satisfaction**

	Low	Average	High
Bathroom amenities and towels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cleanliness of bathroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quietness of your room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Welcome on arrival	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Efficiency of check-out (friendly, helpful)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friendliness and helpfulness of porters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall satisfaction with in-room broadband and internet facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please share any additional comments:

Room Number: \_\_\_\_\_ Date: \_\_\_\_\_

## Your Level of Satisfaction

- Bathroom amenities and towels
- Cleanliness of bathroom
- Quietness of your room
- Welcome on arrival
- Efficiency of check-out (friendly, helpful)
- Friendliness and helpfulness of porters
- Overall satisfaction with in-room broadband and internet facilities

Please rate the following:  Poor  Fair  Satisfactory  Good  Excellent

ARRIVAL  
 Welcome and Check in  
 Baggage Service

CHECK OUT  
 Check-out  
 Check-out time  
 In-room Amenities  
 In-room Service

PERSONAL SERVICES EXPERIENCE  
 Room Service  
 Room Maintenance  
 The Concierge  
 Front Desk  
 Bar/Menus at the Restaurant

RESTAURANT  
 Knowledge  
 Presentation  
 Pleasant Atmosphere  
 Food  
 The Ambiance  
 Facility  
 Signature Dishes  
 The Hotel Club

OVERALL  
 Staff competence of your work  
 Overall staff courtesy  
 Overall experience

Please share with us how our product or service can be improved:

Please let us know if the staff whom you had was exceptional:

Would you be willing to recommend us?  Yes  No

Please rate the following:  Poor  Fair  Satisfactory  Good  Excellent

ARRIVAL  
 How well did our staff greet you and how was the check-in process?  
 How well did our staff handle your luggage?  
 How well did our staff handle your requests?  
 How well did our staff handle your complaints?  
 How well did our staff handle your special requests?  
 How well did our staff handle your special requests?

CHECK OUT  
 How well did our staff handle your check-out process?  
 How well did our staff handle your special requests?  
 How well did our staff handle your special requests?

PERSONAL SERVICES EXPERIENCE  
 Room Service  
 Room Maintenance  
 The Concierge  
 Front Desk  
 Bar/Menus at the Restaurant

RESTAURANT  
 Knowledge  
 Presentation  
 Pleasant Atmosphere  
 Food  
 The Ambiance  
 Facility  
 Signature Dishes  
 The Hotel Club

OVERALL  
 Staff competence of your work  
 Overall staff courtesy  
 Overall experience

Please share with us how our product or service can be improved:

Please let us know if the staff whom you had was exceptional:

Would you be willing to recommend us?  Yes  No

## Your Level of Satisfaction

- Likelihood you would choose to return to this hotel if in the area again
- Restaurant - menu variety
- Guest room comfort and cleanliness
- Guest room servicing
- Accuracy of wake-up call and messages
- Friendliness and helpfulness of staff
- Ease of use of in-room internet facility

Age:  18-30  31-40  41-50  51+

Gender:  Male  Female

How did you hear about us:  
 Word of mouth  Travel agent  Company  Colleague

How many nights have you spent in any hotel over the past year:  
 0-10  11-25  26-50  51+

Nationality:  
 American  Asia  Australia/NZ  Europe  Middle East  North Africa

Purpose of visit:  
 Business  Leisure  Tour  Conference

**Your Level of Satisfaction**

	Low	Average	High
Likelihood you would choose to return to the hotel if in the area again	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restaurant - menu variety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Guest room servicing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accuracy of wake-up call and messages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friendliness and helpfulness of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of use of in-room internet facility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please share any additional comments:

Room Number: \_\_\_\_\_ Date: \_\_\_\_\_



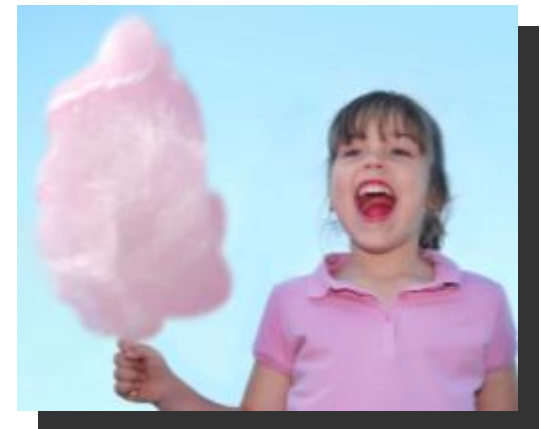
How can you objectively find out what guests really want?

## Ask the right questions, in the right way, at the right time

- Give guests the freedom to tell you what they really want to say
- Give them the courtesy and respect they deserve
  - reimburse them for their effort
    - especially higher end guests
  - make them feel important
    - not just yet another bloody form
- Needs and tastes change
  - you need to test the market regularly
- Don't spend too much money

## Bergent can get to prospects real desires

- Most retirement village prospects say they want food to be
  - nutritional
  - tasty
- Using our BrandRadar™ technique, prospects select images to describe what they want from retirement village food
  - many select the girl with fairy floss
- A naïve interpretation
  - prospects want sweet, novelty food
- The real answer
  - the image describes the trill of tasting fairy floss as a kid
  - underlying need is for
    - variety
    - new and adventurous cuisine



So,

## Just remember...

1. Guests say they want everything so if you give it to them it'll cost you a fortune for no return
2. Some things guests want provide real value to them, and especially you
3. Don't trust amateurs with your most important intelligence gathering tool



Generate sales and improve brand image by  
truly understanding what motivates your guests

Bergent Research

Author: John Berenyi

Contact: +61 3 9322 4000

[jberenyi@bergent.com.au](mailto:jberenyi@bergent.com.au)

## To break the ice....

A husband and wife are travelling by car from Brisbane to Melbourne . After almost ten hours on the road, they're too tired to continue and they decide to stop for a rest. They stop at a nice hotel and take a room, but they only plan to sleep for four hours and then get back on the road.

When they check out four hours later, the desk clerk; hands them a bill for \$450.00. The man explodes and demands to know why the charge is so high. He tells the clerk although it's a nice hotel; the rooms certainly aren't worth \$450.00. When the clerk tells him \$450.00 is the standard rate, the man insists on speaking to the Manager.

The Manager appears, listens to the man, and then explains that the hotel has an Olympic-sized pool and a huge conference centre that were available for the husband and wife to use.

'But we didn't use them,' the man complains. 'Well, they are here, and you could have,' explains the Manager.

He goes on to explain they could have taken in one of the shows for which the hotel is famous. 'The best entertainers from New York , Hollywood, and Las Vegas perform here,' the Manager says.

'But we didn't go to any of those shows,' complains the man again. 'Well, we have them, and you could have,' the Manager replies.

No matter what amenity the Manager mentions! the man replies, 'But we didn't use it!'

The Manager is unmoved, and eventually the man gives up and agrees to pay. He writes a cheque and gives it to the Manager. The Manager is surprised when he looks at the cheque. 'But sir,' he says, 'this cheque is only made out for \$50.00.'

'That's correct,' says the man. 'I charged you \$400 for sleeping with my wife.'

'But I didn't!' exclaims the Manager. 'Well, too bad,' the man replies. 'She was here and you could have!'