

Channel Navigation

TRAVEL AGENCIES REMAIN A VITAL MARKET FOR GROWING HOTEL STAYS | By Marcia Jedd

Carlson Hotels is intensifying its focus on a big target:

travel intermediaries. With an eye toward making it easier for travel agents to book business and leisure stays, Carlson Hotels is investing in new marketing initiatives while enhancing established programs.

"First and foremost, we're looking to grow our revenues derived from travel agencies, and that means increases in market share and room revenues," says G.T. Dhillon, vice president, Global Travel Industry Relations, Carlson Hotels. Dhillon, who spoke to hotel operators and management about this market segment at the 2011 Carlson Hotels Global Business Conference, joined the company late last year to hone the strategy for building Carlson Hotels' travel agency-sourced business.

"The traditional travel agencies and travel management companies [TMCs], which book mostly business travel, and consortias, which have a more even mix of business and leisure travel, are vibrant distribution channels and a significant piece of the hotel-distribution pie," Dhillon says. "Within these audiences, we have significant opportunity to grow RPI [revenue per available room index]." (See "Intermediary Glossary," pages 78-79.)

FRONTLINE SYSTEMS

So how can hotels boost their efforts in this channel?

First, **accurately list the business travel-related attributes of a hotel in the TMC self-booking tools** used by corporate audiences. Similarly, entries which appeal to both business and leisure travelers, such as "high-speed Internet" or "pool," are especially important to list. "Listings require impeccable attention by the hotelier on how their hotels are described in these systems," Dhillon says.

G.T. Dhillon,
vice president, Global
Travel Industry Relations,
Carlson Hotels



Intermediary Glossary

Consortia: A network of independently owned travel agencies. Members join consortias to take advantage of offerings with consolidated purchasing power, such as 24-hour call centers and marketing reach. Agencies may be members of more than one consortia program. Business mix is generally 60 percent leisure and 40 percent business.

Global Distribution Systems (GDSs): Large, computerized reservation networks that travel agents, travel management companies (TMCs) and online travel agencies (OTAs) use to check availability and book airline, car, hotel and other travel arrangements for their customers. Amadeus, Galileo (by Travelport), Sabre and Worldspan (by Travelport) are examples of leading GDSs.

Pay for Performance: Fees paid to a travel agency organization based on how much business a company gets from the agency.

GLOBAL GATEWAYS

Global Distribution Systems (GDSs), such as Sabre, Amadeus and Worldspan, are the mainstay of travel agents for checking availability and booking air, hotel and rental cars.

Dhillon encourages hoteliers to acquaint themselves with these systems by **learning more about how agents search GDSs**, whether by rate or chain codes, location, corporation name, or services. “In a GDS search, most availability displays contain at least one qualifier to reduce the number of hotels returned,” he says.

BEST PRACTICES

Dhillon recommends hoteliers identify their top booking agents—whether TMC or consortia—by accessing the reports and data available at Carlson Hotels’ Connect portal. “Then initiate conversations with these agents to learn more about GDS elements that drive customers to their hotel and adjust listings accordingly,” he says.

To ensure your hotel receives top booking, Dhillon provides these best practices:

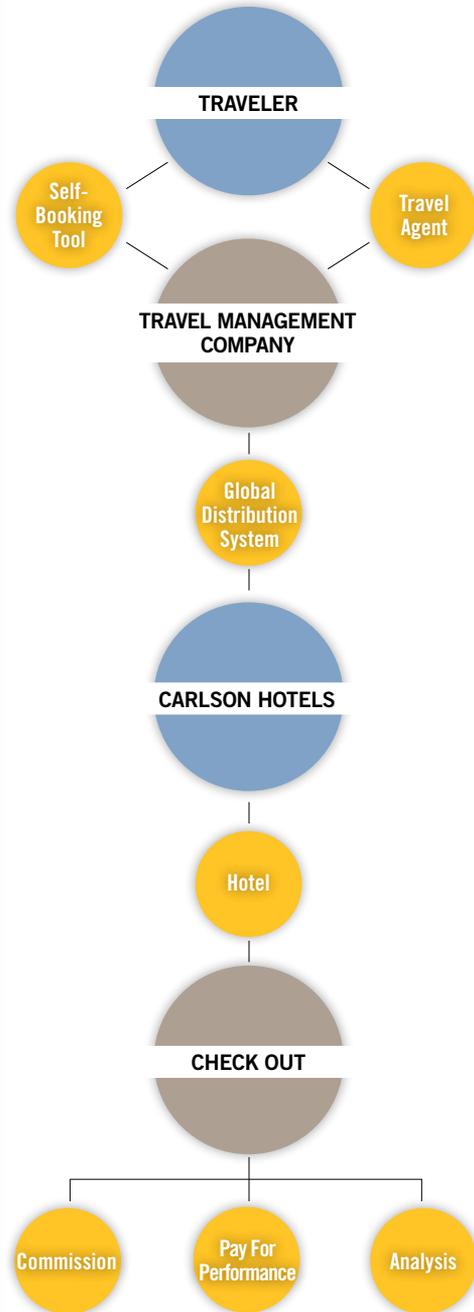
- Once you’ve identified your top TMCs and consortias, visit these agencies to educate agents on your product. Offer a free stay.
- Armed with the knowledge of key GDS elements that drive business to your hotel, update hotel content at least quarterly, checking for accuracy. Send updates to propertycontent@carlson.com.
- Verify that your current negotiated rates are loaded and bookable.
- Take advantage of the graphics displayed by today’s GDS systems by ensuring maps and images are updated.
- Update hotel photos in the Brand Image Library. (For a how-to lesson, visit the CarlsonSM Learning Network.)
- Consider using GDSs’ offers of preferred placement (e.g., Sabre Spotlight) and marketing opportunities, including point-of-sale ads (e.g., Amadeus Instant Messaging).

AWARDS FOR AGENTS

Another powerful travel agency channel tool, Carlson’s patented **look to book®** (LTB) agent-only

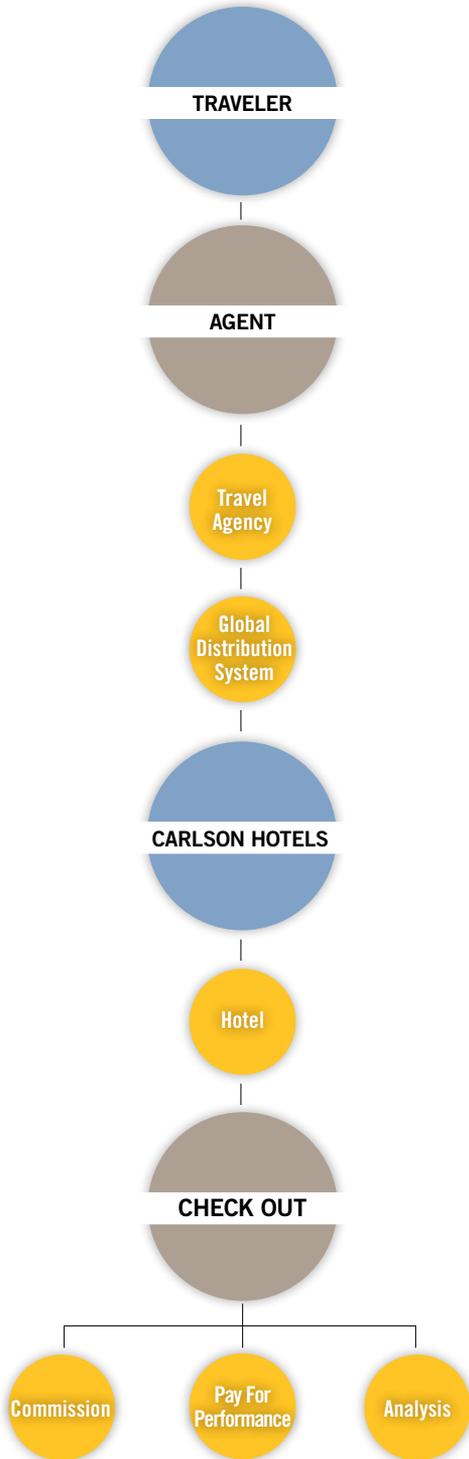
Managed Corporate

Intermediated Travel Channel



Leisure Travel

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loyalty program, is getting a makeover, complete with a new logo, stronger tie-in to all Carlson Hotel brands and abundant promotional offerings in 2011. The incentive program offers the trade unmatched rewards: not only free hotel stays, but prepaid cards and airline miles.

“No other hotel company offers a program this robust in terms of reaching the travel agent, influencing their behavior and driving share,” Dhillon says. The 19-year-old LTB is thriving with 31,000 active members worldwide.

LTB TOP TIPS

“LTB gives our hotels the ability to build relationships with agents in other countries without flying to go see them,” Dhillon says, encouraging hoteliers to access reports through Carlson Connect that show the actual LTB booking agent’s name and their consortia or TMC.

Dhillon reminds hotel owners and managers that LTB isn’t just a driver of leisure business; it’s a great way to win corporate travel from Carlson Hotels’ top three TMCs, Carlson Wagonlit Travel, American Express Business Travel and BCD Travel.

Dhillon provides these best practices for marketing to LTB agents:

- Recognize your top LTB agents with a personal phone call or visit. Send a thank-you note, inviting them to stay at your hotel. Or, offer bonus points certificates.
- Participate in LTB promotions by offering LTB member-exclusive offers.
- Highlight your hotel’s LTB participation and benefits in marketing collateral.

FORMALIZING PLANS

Finally, Dhillon encourages hoteliers to incorporate all these best practices into a **travel agency marketing plan** customized to their hotels. “Find out who your hotel’s key GDS, TMC and LTB contributors are. Consider purchasing data tools such as those by TravelClick or Rubicon that offer business intelligence and decision support applications,” he says. “Carlson Hotels is working to help you maximize the potential from this important channel, but part of it is up to you.” ■

Intermediary Glossary

Revenue Per Available Room (RevPAR):

An important hotel industry statistic calculated by multiplying the average rate collected for each room by the proportion of rooms that guests fill over the same period. RevPAR provides an at-a-glance look at the overall financial performance of a hotel or hotel system.

Revenue Per Available Room Index (RPI):

A statistic that measures how a hotel’s RevPAR compares against a set of competitors. An index score of 100 indicates a hotel is capturing its fair market share. A score less than 100 means the hotel is performing below the average of its competitive set. A score higher than 100 means the hotel is performing higher than the competitive set.

Travel Management

Company (TMC): Travel organization that usually specializes in business and corporate travel, as opposed to leisure travel. TMCs may be operated through affiliates or franchisees in secondary and tertiary markets.