



CHECK-IN

Focusing on issues important to all members of the Hospitality Industry

Check This Out

✓ Offer turndown service with style!

Guests at the spa and wellness-themed The Bungalows at the Terranea Resort in California receive pillow gifts of bath bombs, cooling eye masks and scented massage oils. At the boutique RiverPlace Hotel in Oregon, guests rest easy after they enjoy their evening cognac “nightcap” delivered with a snifter and elegant card.

✓ Hmm, should I stay in a sculpture or a padded cell? While in Berlin, Germany, check into Propeller Island City Lodge and you can stay in one of 30 uniquely designed rooms created by artist Lars Storschen. Other rooms include one completely covered in mirrors, one using coffins as beds, and even one with furniture fixed upside-down on the ceiling with beds hidden under the floor!

✓ **Did you know?** According to STR Inc., U.S. hotels are now selling 65% of their room nights, up from 55% just five years ago. And guests are paying more, averaging \$115.72 a night, up from \$97.31. In addition, competition is increasing with over 128,000 rooms under construction, up 32% in the last year. The world’s 10 largest hotel chains now offer over 100 different brands at various price points.

✓ **Smart ways to use social media.** Since millennials are fast becoming the largest traveling market segment and are adept in their use of social media, here are two easy ways to engage them: monitor social media for guest birthdays that coincide with stays at your property and offer a special greeting, treat or amenity on arrival; reward guests with additional points or free stays for mentions of your property on social media.

Measuring Business Interruption After Disaster Strikes

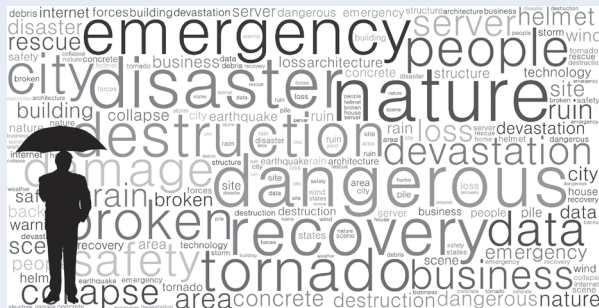
The first priority during and after a major disaster or catastrophic event will always be to ensure the safety of your guests and staff. However, once the human element is secure, as property owners and managers, you should quickly become familiar with your insurance policies, so you concentrate on rebuilding facilities and services and getting “back to business.”

Disasters like Superstorm Sandy, the intense flooding in Texas and the wave of tornadoes throughout the Midwest can create significant

negotiations may not occur until a year or two after the event, several pieces of data and documents need to be gathered in the short term to obtain a favorable settlement.

Certain data and documents are extremely useful when calculations are made of lost revenues and profits. The following is a partial list of reports (effective the day of the catastrophic event) that should be gathered and preserved:

- Five-year history of competitive position reports (i.e. STR report), including current year-to-date



disruption to the operation of your hotel. In some cases, damages to the physical property will prevent business operations altogether until repairs have been carried out. In others, the hotel might remain intact but damage to the market might reduce the ability of a property to generate revenue, or could increase the costs of doing business resulting in a loss of profits.

Gather Your Historical Data

What is frequently overlooked in the immediate turmoil is the need to secure important data and documents. This information is especially vital for those owners that wish to recover lost business income from their insurance company. While the actual filing of claims and

- Five-year history of annual financial statements, including current year-to-date
- Budgeted performance for the remainder of the current year and next year
- Marketing plans for the current year and next year
- Capital improvement plan – current and future years
- Guaranteed reservations and advance deposit activity
- Group contracts
- Group booking pace for the next 10 years

The Lost Business Calculation

Once the historical performance data is gathered from the documents listed above, the next step is to estimate how your property would

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Measuring Business Interruption After Disaster Strikes...continued from page 1

have performed if the disaster had not occurred. To prepare this forecast, use your budgets, marketing plans, reservations, and group booking information.

Previous research conducted by PKF-HR found that 75% to 80% of a property's performance can be explained through movements in the larger market in which it operates. The remaining 20% to 25% of hotel performance can be attributed to the actions of management.

Therefore, when available, it's also good to rely on the most recent lodging forecast developed prior to the event for the metropolitan area in which your property operates. The metro area forecast serves as a baseline for supply, demand, and revenue conditions within the overall market during the period to be analyzed for lost business.

The calculation of lost business is derived from the difference between the performance of your property estimated under the "no catastrophic event" scenario, and the data from the actual performance of the hotel during the period analyzed. Estimates can be made for lost room nights, revenue and net income.

Objectivity is Key

A key to the lost business calculation is the ability to provide

an objective estimate of market performance under the "no catastrophic event" scenario. PKF-HR prepares econometric forecasts, called Hotel Horizons®, of hotel supply, demand, occupancy, ADR, and RevPAR for 50 major markets across the nation. Each report contains forecast performance data for both upper-priced and lower-priced hotels in a given market and are updated every three months. Hotel Horizons® has been widely adopted by industry participants as an unbiased, objective and scientific approach to estimating the future performance of the major U.S. hotel markets covered.

Details are Important

The details of an insurance policy are important when deciding whether to stay open or to close following an insurable event. Each policy is different, but when a disaster affects an entire market, it could have a longer term impact on profitability that is not adequately covered by your insurance policy.

In a case that occurred in New Orleans following Hurricane Katrina, a certain luxury hotel, although partially damaged, was able to re-open relatively quickly with some rooms, and progressively open up more and more inventory to the public. While the hotel may have been operational, the market

for luxury rooms in New Orleans had deteriorated significantly; the business interruption insurance held by the owners had a relatively low maximum payout.

The owners made the decision to re-open the hotel quickly to mitigate their losses, but the guest profile had changed, and the average daily rate and food and beverage revenues were substantially lower than before the disaster. The insurance company successfully argued that the market for luxury hotels was damaged and agreed to pay out the maximum allowable payment, but the business interruption caused by damage to the hotel was limited because the hotel had shown that they could still accept guests and those guests were paying market prices. Had the hotel closed its doors to make full repairs to the damaged floors and reopened only once the repairs were complete, it is very possible that their insurance payment would have been significantly higher.

In the End

Receiving your business interruption insurance benefits never fully alleviates the emotional damage and pain caused by a catastrophic event. However, the funds do go a long way to help preserve "the business."

Source: *hospitalitynet.org*, 11/12

What do guests want anyway? Free Wi-Fi isn't the only thing...

To improve the experience at your property, it's helpful to ask your guests what they liked or disliked about their stays. It's also helpful to keep informed about trends in the industry. The booking site, *Hotels.com*, surveyed 5,000 travelers in April to come up with a current list of the most desired amenities today.

Here are the findings...

- As expected, free Wi-Fi remains the most prized amenity, particularly for 49% of business travelers, who list it as the deciding factor when choosing a hotel. But that's down from 56% two years ago as connection options have increased.
- Business travelers appear more than happy to work in bed, citing a comfortable work chair and desk as the least important factor in choosing a hotel, at just 6%.
- Minibars continue to drop in popularity, with 24% of guests claiming to never use them.
- Fresh fruit and coffee/tea service trump all other breakfast choices, at 16% each, over 12% for eggs or meat, and 8% for juice.
- The most annoying thing for guests is actually other guests, especially noisy ones, who earned the top spot at 65% (it may be worth investing in more soundproofing!).
- Although fitness centers in hotels seem to get little use, guests surprisingly don't want to give them up in return for a better deal. Instead, they'd rather eliminate the turndown service (69%) and bathrobes (68%).
- Hotels that charge for water still earn the enmity of guests, at least 33% of them, who say they want complimentary bottled water in their rooms.
- Although only 1% of guests say they'd like more stationery in the room, it's the most stolen item, at 20%.



Julie Baker
HR Editor

Strengthen Your Communication Skills

It's not just about what you say but how you say it. Tone of voice as well as nonverbal cues affect what the receiver hears and influences how the person reacts to the message. Improving these skills leads to better communication.

Tone of Voice

How could you evaluate and improve the quality of your tone of voice? One way is to listen to your voicemail message, and think about how you sound to callers. Record your voice and listen to yourself talk. Check your rate of speech. Are you speaking so quickly that your words run together and you are hard to understand? Listen to your inflection. Do you sound energized and interested in what you are saying? Evaluate your volume and enunciation. Are you speaking loudly enough to be heard, but still appropriately for the environment? Do you hear all syllables, or do you cut off the endings of words?

Misinterpreting Nonverbal Cues

When you are on the receiving end of poor communication, you realize that nonverbals can reveal valuable information, but they also can be easily misinterpreted. Remember that some people don't realize that they are communicating nonverbally, so clarify if necessary to be sure you are not misunderstanding the nonverbal cues. For example, you might say, "You look a little puzzled. Can I clarify something?" This statement helps you communicate without making assumptions. In responding to an angry speaker, you

might say, "You sound as if you're angry with me. Is that right?" This statement helps keep your own emotions in check while letting the other person know how you are interpreting the message.

Impact of Nonverbal Cues When Using a Speakerphone

Speakerphones are great when it's necessary for two or three people to be involved in the phone conversation, or when you need to have free hands to take notes or refer to resource materials during the call. Don't use the speakerphone if you're discussing confidential or sensitive information. Also, it's important to let callers know that a speakerphone is being used, and it's polite to ask their permission first. Remember that speakerphones pick up distracting background noise from the office, so close your door if possible, and make sure you position yourself close to the phone. Speak up and enunciate clearly. Finally, summarize frequently, and ask questions to make sure you and your caller come to the same conclusions.

Multi-Tasking During Conversations

What about the person who is looking at his or her phone or texting while you are talking? Nonverbally they're telling you, "I'm not listening." How do you address the issue of someone

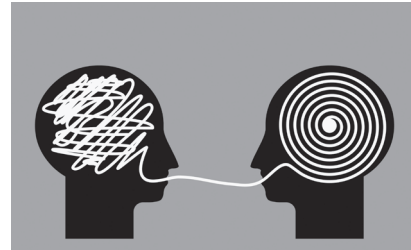
multi-tasking when you are speaking? Start with, "I'd like to discuss something with you. Is now a good time?" If the person starts texting or answers a call during your conversation, you might try something like, "It looks like you're in the middle of something. When would be a better time to talk?" If it's a recurring problem, you could address the issue at a neutral time and explain the impact on you. Using an "I message" helps in this instance. For example, "Mary, I realize both of us have a lot to do. I feel frustrated when you continue typing during our conversation. It ends up taking more time than if we made an effort to concentrate and finish the conversation. Could we handle future situations differently?"

Research shows that people draw meaning from our nonverbal

communication, and in cases when our body language and tone of voice conflict with our words, people tend to believe the nonverbal cues. Effective communicators realize that

how they say something can be just as important as what they say. Paying attention to gestures, facial expressions and tone of voice – both your own and those of others – makes you a stronger communicator.

Source: *Lisa Pook, MRA Institute of Management Journal, 10/14*



We Missed Hearing From You!

Share your stories & ideas –
we'll send you \$25!

What are some of the craziest
amenities guests have asked for?

Email us at check-in@americanhotel.com
& include your full name, property name and address.

2015 Summer /Fall Calendar

Find out what's new and what's happening in the industry by attending these upcoming trade shows or conferences:

Western Foodservice & Hospitality Expo

8/23 - 8/25; Los Angeles, CA; westernfoodexpo.com

BITAC® Global 2015

8/30 - 9/1; New York, NY; bitac.net

HSMIA's MEET National 2015

9/9 - 9/10; Washington, DC; meetconference.com

SPATEC Fall North America

9/27 - 9/30; Carlsbad, CA; spatevents.com

Florida Restaurant & Lodging Show

10/6 - 10/8; Orlando, FL; flrestaurantandlodgingshow.com

The Lodging Conference

10/6 - 10/9; Phoenix, AZ; lodgingconference.com

IMEX America 2015

10/13 - 10/15; Las Vegas, NV; imexamerica.com

HFTP Annual Convention & Trade Show

10/21 - 10/24; Bellevue, WA; hftp.org

Quick Quote

I have found out that there ain't no surer way to find out whether you like people or hate them than to travel with them.

Mark Twain, b. 1835, American author and humorist

✓ Check Out

We hope you've enjoyed this issue.

Your feedback, suggestions, stories, and ideas make our newsletter interesting and useful. Please take a moment to send us your thoughts.

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Jim Leahy

Letter from the Chairman

Dear Friends,

Are you proud of the job you do? Are you someone who makes a difference in your world or are you someone trying to "get by?" If you look at yourself through your boss's eyes, do you see someone to be promoted or one who's just OK?

Who we are is our choice! We make ourselves interesting through the thoughts we think, the things we read, and the people we associate with. We become good listeners by paying attention to what others say and being interested in how they feel. We become passionate people by believing in issues bigger than ourselves.

The work we do, especially in the hospitality field, is a chance to become a more interesting, a more compassionate, and a more loving person. But it takes commitment and practice. And it's a matter of choice, choosing each day to be a better listener, more caring, and a better friend to those we meet.

It's too easy to treat life as an "accident" that happens to us each day. And while we can't control the daily events and people, we can control our response. We must not turn over to others our feelings, blaming customers and bosses for our disappointments and perhaps our failings.

In so many ways, our lives are given to us to experience and learn. Each of us is given people, experiences, and problems from which we are to grow. Things we don't learn the first time seem to come back again until we learn.

We find life to be beautiful, painful, frustrating, or delightful based on our view of events. We each respond to an event as a problem or opportunity as WE see it, not as others might experience it.

Choose to be the person you'll become. See the beauty in whatever you do and who you are rather than focusing on the negative, the ugly, or the hurtful.

In so many ways we don't create our experiences. In so many ways we do choose our responses to those people and events.

Be a lover. Find the joy in your life. Choose to be a man or woman who is caring, noble, and a gift to your world!

Love,

A handwritten signature in cursive script that reads 'Jim'.

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