

A HOTEL SALES MANAGER'S GUIDE TO **GROWING BUSINESS**



THE ROAD TO BECOMING A GROUP SALES SUPERHERO

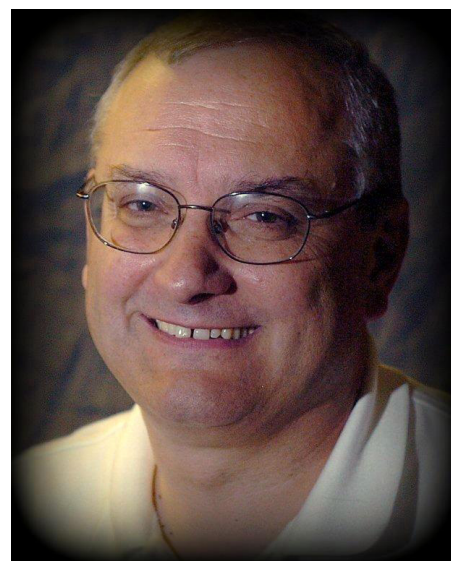
A few months after I accepted a regional sales manager's position with a large suburban Cleveland Holiday Inn group, The Rat Pack Reunion (Sinatra, Dean Martin and Sammy Davis, Jr.) came to Cleveland for a Monday night concert in late March. I already had nearly ten coaches scheduled when an unexpected wrinkle came from the concert promoters who decreed that all tickets could only be purchased by credit card, with a maximum of six tickets per order - YIKES!

A corporate Holiday Inn VP came to the rescue, intervened with the promoter and my hotel purchased 1,000 tickets. I had to solicit my own clients for upfront money and we found out quickly who was serious and who was not. We ended with 21 coaches, filling three hotels. Larry Hundt, then president of Travel Ventures, brought nine coaches to the Rat Pack Reunion. As he got ready to depart for home, Larry praised me that I could "think like a tour operator."

High praise from your client! Especially when you think about the sometimes-contentious relationships between groups and their hotels. Bear this in mind as you approach the group market. Anticipate your customer's needs - comp rooms for

escorts, workable deposits, reasonable rates for meals, the scheduling of baggage handlers. If your customer doesn't have to spend time teaching you their business you'll quickly become an ally. It helps build the understanding and rapport to generate profit with underserved group niche market segments.

Learn to think like a tour operator, a group leader, a reunion planner, church leader, a coach or band director. You'll outperform your competition, thrive in your position and increase your hotel's profitability. Everybody wins!



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SIZING UP THE GROUP MARKET

Back in the day, I was in the fortunate position of having some great tour operator clients who featured big-name entertainment as the hook to sell their tours to Cleveland. I might be dating myself, but Tom Jones, Engelbert Humperdinck, Frank Sinatra and George Burns could be counted on to fill buses and subsequently hotel rooms at the properties I worked for.

If you are selling groups for a hotel, management company or chain as I did for the better part of two decades, this was a privileged position. I had a short list of clients I could call whenever a big name was blowing through town. These calls had an above-average conversion ratio because the entertainment was driving decisions.

And if you work for high-profile cities-Washington DC, New York City, Boston, Orlando and Chicago - you don't have to worry as much about this. Your cities sell themselves. For everyone else addressing the group market, being knowledgeable about the various leisure group market segments and your destination will help your business by leaps and bounds.

While the economic downturns of the new millennium have made many more hotels believers in

these niche markets, there is still plenty of room for improvement. The key understanding is that each group market niche has its own personality and with that being said, take a look at how best to work with the leisure group market. At a minimum, everyone can agree that enhanced profitability at your hotel is good thing. If you're onboard with that, read on.

The group travel industry represents a \$136 billion market opportunity. What used to be tightly defined as seniors and students now represents a diverse range of clients from 8-months to 80 years old. What's best about leisure groups is that if approached correctly, they can deliver a powerful punch of business when your property needs it most.

Properly managed, an effective leisure group strategy can increase profitability across your entire property or management group. Furthermore, groups can provide a base of room business that allows you to set your corporate and transient room rates and avoid last-minute "atomic bomb" discounting.

SENIOR GROUP TOURS

BACKGROUND:

The guts (and one-time glory) of the senior tour market is motorcoach tours. This is where it all started. Senior tour groups have been challenging from Day 1, but not one you can't handle. Learn to think like a group tour leader and a tour operator and you'll quickly "get" this market. Tours are planned when someone has an idea for a trip destination - either the group leader or the tour operator. They begin assembling a package that includes transportation to the destination, a selection of attractions that will vary based on the type of group, some meals and of course a place to sleep. This process starts up to 18 months in advance, though in recent years the booking cycle has been condensed. It's not uncommon to get a group tour request 3 months in advance.

It's important to note that group leaders and tour companies operate in completely different environments. A group leader has a pack of travelers/customers who tend to be very loyal and there's often a consensus formed as to where the group wants to travel before plans are made. What this means is that a group leader who's contacting you for hotel space usually has a group "in hand." Tour operators, however, are planning most tours on a speculative basis. They select a

number of destinations they believe are "sellable," then produce a catalog, flyers and post trips with departure dates and details on their website. Online marketing and social media are becoming mainstays of the tour & travel market. They are trying to fill all available coach seats on the trip to make a profit. Tour operators will typically contract space further in advance than a group leader, and frankly this space has a greater propensity to not materialize if the operator is unable to drum up enough interest in the trip. The flipside, however, is that good tour operators DO sell their trips and have the propensity to bring you multiple groups during the year and for subsequent years if the trip catches fire. Group leaders, on the other hand, are often one-trick ponies.

There are variances on this business rule - some tour operators only work with pre-formed groups so when they are calling for space they likely have a group ready to go, and frankly some tour operators are really more like group leaders - mom and pop shops that deal with a few groups a year (there's no certification for becoming a tour operator, but membership in a professional organization speaks volumes). On the other hand, some group leaders are speculative at best. Asking the right questions on the front end will save you lots of time.

STRENGTHS:

Those that consider senior group tours a dying market, consider this: each day 8,000 baby boomers turn 65. While many of these folks don't choose escorted tours as their preferred method of vacation upon cashing their first social security check, as they age, these types of trips become a better alternative as their lifestyle changes (spouse dies, hip breaks).

Since people are living longer and healthier than ever, as interest rates raise you can expect a spike in this business over the coming decade. Even as some groups dissolve, new ones are started.

HOW TO FIND 'EM:

Dealing with senior tour groups can be a long and tedious process, but

if you can take on this challenge you'll be rewarded with more and continuing business, appreciated by your market and even make a few friends along the way. Your sources are tour associations such as National Tour Association (NTA) and American Bus Association (ABA).

There are also smaller regional associations such as the Ontario Motor Coach Association (OMCA) and Travel South. Trade shows provide a good way of connecting with buyers, either at these association events, or occasionally new regional trade shows that are created. If you are just getting started, ask your local convention & visitors bureau, which may share its database with you.



AFFINITY TRAVEL GROUPS

BACKGROUND:

Affinity groups are somewhat similar to senior tour groups, except they might not be seniors. Instead they have an affinity or common interest/bond: History, The Arts, Sports, and Gardening are just a few examples. If you can think of a special interest, there's a group travel "play" involved. The common interest binds the group together and makes its members want to travel. Tour operators actively solicit leisure groups (sometimes called affinity or pre-formed groups), but much of the action is buyer-direct.

STRENGTHS:

The Internet and social media have helped these groups coordinate better. As a result affinity groups are showing strong growth trends. They lack experience as savvy negotiators and generally will pay for experiences versus rock-bottom rates. Their travelers are younger and tend to want nicer hotels with good locations and amenities. They also tend to travel more on weekends than weekdays.

WEAKNESSES:

Everybody in the group is a decision-maker! Groups have been known to fall apart because they can't make a decision. Nice versus inexpensive hotels? Lots of meals versus no

meals? Free time versus no free time? Likely there's a "committee" debating these and other issues! Travel is fun and talking about it is fun, too! If decisions get held up, show your understanding to your contact.

HOW TO FIND 'EM:

The more specialized the group, the more likely it is that they travel on their own. If your goal is finding more groups than your tour operator base can provide, look to what is going on in your area. Offer packages around it. Flower show over the weekend at the convention center? Food & Wine festival downtown? Consider shuttle transportation to and from the event (these travelers may not be coming by bus). You'll find out more about these groups if you work with your local group friendly attractions, restaurants and convention & visitors bureau. Host a luncheon or breakfast with this audience and offer your property for all group needs. Niche publishers like Premier Travel Media also market aggressively to reach these groups, so you can lean on them to achieve a higher volume.

STUDENT/YOUTH MARKET

BACKGROUND:

The class trip has long been a rite of passage and in two generations has increased from the senior class that visited the local county government to an environment where a huge percentage of high school trips visit Washington DC, New York, New England or even international destinations. Also fueling this growth have been school arts organizations, especially marching bands and other performing units, always searching for a venue to strut their stuff. These groups tend to travel to destinations that offer performance space, theme parks and educational opportunities, broadening the potential for second- and third-tier cities to bring in new types of business.

STRENGTHS:

Student groups consolidate into defined travel periods for the most part. If you need business in April, May, September and October and have the above assets in your destination, you're in good shape.

WEAKNESSES:

The end customers are kids your group leaders (band directors, history teachers, parents) in this market are rightfully protective of their charges and will demand things (rate, services, number of kids in each room) you can't always give.

This doesn't make them a bad client or prospect. Part of your job isn't to proselytize, but to show empathy. If you are a parent you understand.

HOW TO FIND 'EM:

As the student market grew, a new association specifically for the student tour market arose: Student Youth and Travel Association (SYTA). Plenty of tour operators in the NIA or ABA have a student focus as well. (Asking about the type of groups should be part of the qualifying process when you are getting to know a tour operator.) You can find your own student group clients by calling high schools and junior highs. Since over 75% of this business is booked direct with suppliers (without tour operators), this method is highly encouraged.



SPORTS TEAM TRAVEL & TOURNAMENTS

BACKGROUND:

Here's a market that has grown by leaps and bounds. It's much more than the university and high school athletic departments. Club sports and dozens of disciplines of youth athletics -think basketball, baseball, softball, hockey, volleyball, lacrosse, soccer and other tournaments - sending players across the county in search of competition at a growing number of local, regional, state, national and international tournaments.

STRENGTHS:

The exploding number of travel teams and tournaments means the numbers are in your favor. You can find tournament companies online and find out if the locations and dates are right for you. Groups tend to travel more on weekends too, so if this is a need at your property, good news!

WEAKNESSES:

You will mostly be working with parents of players who have never booked rooms before-be gentle. Be firm-there's business to be had.

HOW TO FIND 'EM:

More and more CVBs are creating dedicated departments or offshoots known as Sports Commissions. These operate virtually the same way as CVBs do, though some have gotten into the sports event management business. You can do your own online research for sporting events on the Internet by checking out independent tournament companies or the websites for national groups such as the Amateur Athletic Union (AAU) and United States Specialty Sports Association (USSSA). Be aware that these national organizations probably have state or regional organizations as well, sometimes one for each sport! And since sports tournaments are 100% reliant upon having a proper facility to host their competitions, scout your local area and find out which facilities host tournaments and offer to provide housing for out-of town players. Heck, you might even become the preferred hotel! Also consider coaches conventions. Image yourself at a tabletop display, standing at the edge of the carpeted aisle, asking each passing conventioneer "How much overnight travel does your team do?"

REUNIONS

BACKGROUND:

With the baby boom generation aging and families spread out across the country, annual family reunions have become the driving force behind keeping families together. It's not surprising that over 200,000 family reunions are held each year, with approximately 50% of family reunions happening annually.

STRENGTHS:

The numbers and a national sense of the importance of family are in your favor. As with the sports market, if you have a hotel that needs weekend business, this is a definite feather in your cap. Reunions book far in advance and have some type of F&B associated with their event, but aren't necessarily ballroom hogs like weddings which typically yield few hotel rooms.

WEAKNESSES:

Many reunion planners are not professionals and communication can be tricky. Nonetheless, they want what is best for their family and book up to a year in advance.

HOW TO FIND 'EM:

Work with your local CVB if it has a dedicated arm or person who works the reunion market. Consider hosting a family reunion workshop at your hotel in conjunction with your local bureau to attract planners who are looking for guidance on their next reunion.



RELIGIOUS TRAVEL GROUPS

BACKGROUND:

There are over 60,000 churches in the U.S. that travel in one way, shape or form. Churches travel for many reasons - to build their congregation's involvement, offer youth based activity and retreat, and to visit those shrines and religious attractions important to their beliefs. Both youth and adult travelers make up this market niche.

STRENGTHS:

Many church group leaders have a strong following, and the structure and resources of their church include a built-in marketing system. This helps build loyalty. Religious entities have jumped on the social media bandwagon and regularly use Twitter and Facebook as communication vehicles - great for promoting trips! Hotels have found new retreat business as these groups are seeking accommodations beyond those offered by tired, rural retreat centers.

WEAKNESSES:

These same folks are not professionals, although some have years of experience planning trips. Reaching decision-makers can also prove difficult as church leaders are well guarded.

HOW TO FIND 'EM:

Direct mail lists are available and can be sorted by zip code, church type (important if you have a religious attraction nearby) and church size. Generally speaking, the larger the church the greater propensity it has to travel. Coordination with any faith-based attractions, or historic churches in your area will be in your favor, too.



12 WAYS TO MAKE YOUR HOTEL GROUP-FRIENDLY

Having identified the group market segments that work for your property, your work has just begun. You not only have to represent your hotel to groups, but to represent groups to your hotel. That means making sure you have group-friendly policies. Here are a dozen tips to get you started.

1. **Meet & greet welcome reception upon arrival.** This is for groups arriving by motorcoach. A warm welcome by the hotel rep (usually the sales manager) sets a good tone. Punch & cookies have been a standard for years - you might consider wine & cheese, especially if you can host it right next to your bar (spillover after reception leads to incremental F&B revenue).
2. **Be found online.** Most hotels rely on their chain or management company for their web presence and what results is a generic exterior shot, address and vanilla property information. How do groups tell you apart if you look like every other chain hotel? If you can't get your own website, look to online directories or listing services to gain unique identity.
3. **Relaxed deposit policies** - you cannot get full payment in advance, except in the extreme instances of a Pope's visit, the Presidential inauguration. Otherwise, don't do it - you will scare off group business. Try something lesser, such as \$200 at the 60-day mark, with full payment on arrival. This will commit the group more to your hotel.
4. **30-day billing** should be reserved for your best group clients.
5. **Free breakfast** - there was a time when groups came to your hotel and had a banquet room breakfast or everyone was on their own, with many patronizing your restaurant. That model mostly doesn't exist anymore. If you automatically offer a free breakfast, communicate that to your group prospects. If you are a full-service hotel, you need some kind of free breakfast option for group clients.
6. **Extended cut-off for room reservations.** Work with your client on this if you possibly can. While you don't want to hold rooms for the group and then have them go empty, you want to give that group client the possibility to fill the maximum number of seats. This situation will vary for you from date-to-date. Mostly it evolves around how much other business you have. If you aren't sold out, be more flexible.

7. **Rooms together - on same floor.** This issue is also a changeable one, depending on your group type. Many senior tours and leisure groups will want to be together. However, sometimes the tour escort, for various reasons, wants to be elsewhere! Also, sometimes bus drivers stay at a lesser hotel, for economic reasons. If you WANT that room, offer a driver's rate. Be extremely sensitive to student youth groups, which MUST have boys and girls on a separate floor. Same for university teams, where both the men and women's teams travel together.
8. **High school and junior high groups might need on-site security with this business.** While they should expect to pick up this expense, they will come to you in the book and contracting process and ask for local referrals. You need to know the names and numbers of local security companies who desire this business.
9. **Information available on area attractions.** What are the attractions that bring groups to your area? A casino? A shopping mall? You need to know a lot about those places. What are the hours? Are they the same every day? Don't tell your contact that the mall is open every day 12-9 pm, when it's 12-6 pm on Sundays! If you know more, you will sell more! What if the local museum schedules a blockbuster exhibit? Can you match the exhibit type with your group clientele? This is especially valuable if you are competing with another hotel for group tour business.
10. **Can you transport tour takers to your area shopping, restaurants, or attractions?** If the motorcoach driver is out of hours because of a long travel day (they can only be on the road a maximum of 10 hours during the day), this service enhances the tour and it will help you competitively as well.
11. If you are dealing with international clientele, two words should be in your head-money exchange! And yes, this **INCLUDES Canada!** Even if your hotel scarcely ever sees a group from out of the country, it is a service you can provide. Check with your accounting office, which probably has contacts at a local bank.
12. **Know Your Inventory.** Avoid easy rules, as they almost always hurt occupancy. For instance, if you block out all of your summer weekend rooms because of the local baseball franchise, what about the weekends the team is on the road? Once you have a true picture of what your inventory is, then you can proceed to make decisions about who your prospects are. If you have a powerful corporate base, but are empty on weekends, then you need reunions and sports-oriented groups. If you need weekday business more than anything else, you might find tour companies doing long-distance trips who might overnight with you during the week.

SUMMARY

At the very beginning of this white paper I went back to my early days and pulled some examples – The Rat Pack, George Burns and a few others. Back in the day evening entertainment drove the tour & travel business. Live entertainment is still an important element of just about every tour.

From the earliest days of group travel through the explosion of senior travel forward to today, there have been a remarkable changes in the packaged group travel industry. Although senior travel is still a significant segment, special interest or affinity markets are the fastest growing in the industry.

If you plan to target boomers and/or millennials, you best understand where their interests lie and adjust your product to fit. Fewer and fewer consumers are signing-up to take a packaged group trip just because they want to travel. Today they want to learn and experience doing something that interests them.

Hotel sales managers that understand what's motivating groups to enjoy packaged travel are best situated for an exciting, successful future.

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