



Front Office

by William D. Frye, Ph.D., CHE

Eights tactics to increase hotel revenue at the front desk

*Another great article from The Rooms Chronicle®. the #1 journal for hotel rooms management! ***Important notice: This article may not be reproduced without permission of the publisher or the author.*** College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com*

Notice: The ideas, opinions, recommendations, and interpretations presented herein are those of the author(s). The College of Hospitality and Tourism Management, Niagara University/The Rooms Chronicle® assume no responsibility for the validity of claims in items reported.

Given the challenges of the past two years, it is no surprise that hotel managers are seeking to capture every dollar of potential revenue possible, especially with depressed occupancies and potential guests seeking bargains. The front desk is the perfect place to look for untapped sources of incremental revenue. Every hotel has a front desk, and nearly every guest will visit the front desk to at least check in upon arrival or conduct some other transaction. Hence, it is the only department where hotels can be assured some level of interaction between the guest and staff. These interactions are the perfect opportunity to selectively offer guests higher levels of service and accommodations in exchange for a little additional income. Consider the following:



1. Always be Upselling! Low occupancy periods are the perfect time to suggest to arriving guests to consider purchasing an upgrade in their room accommodations. Everyone loves an upgrade, especially at a bargain price. Yet, many hotels offer up suites, deluxe accommodations, and preferred view rooms during low occupancy periods as a courtesy to guests who have booked at rock-bottom rates. Instead, seek to capitalize on these empty premium accommodations by offering them to arriving guests at a heavily reduced discount where they appear too good to pass up.

This is impulse buying; it is difficult for a consumer to pass up a bargain in person, especially when travelling for leisure. Most suites sell for at least double the price of a standard accommodation. Offer the empty suite for only half of the difference in price. The guest gets a bargain and a suite; you pocket half a room night's worth of incremental income.

2. Get to know your guests! Always try and learn the reason for a guest's stay at your hotel. Is it business, leisure, group event or tourism-related? Just by knowing which market segment a guest hails from, front desk personnel can personalize their interactions with the guest on the fly. Ask questions without being invasive, then tailor your service delivery to appeal to the guest's needs. Personalization demonstrates personal interest, empathy, care, and an overall sense of hospitality to a guest. Each positive personalized service-encounter will help break down barriers of difference and ignorance between people and will motivate a guest to seek out higher levels of service from the front desk, concierge, bell staff, etc. Yes, that's right! We are in the business of building short-term relationships, one guest at a time. Stronger relationships result in greater trust being instilled in guests with the hotel and its staff. Greater trust results in guests seeking out and following the advice and suggestions of the staff on matters ranging from where to dine, what to do, how to get there, and where to spend their



money. Remember, guests are visiting a strange city that is not their home, they need a friend they can trust who will steer them right, and guests will pay handsomely for such direction. So, where does the hotel make its extra money in the process? Employees will earn it from gratuities while the hotel will earn a loyal customer who will be assured to return back to your hotel in the future.

3. Breakfast with your wake-up call? Every time a guest calls the hotel operator or stops by the front desk to request a wake-up call, ask if they would like to place a room-service order for breakfast. Alternatively, offer to make a breakfast reservation in the restaurant to assure them of immediate seating. Such suggestive selling can only drive up F&B revenues and create greater certainty about the number of covers to be served the next morning. Both the room-service department and hotel restaurant hate getting inundated with a large amount of last minute calls or guests queuing up on no advance notice. If each outlet can predict to a greater certainty ahead of time when and where the breakfast rush will hit, if at all, they can staff and prep ahead of time accordingly. Ultimately, everyone receives much better service as a result.

4. Offer “packages” to walk-ins. A guest with no advanced reservation walks into a hotel seeking a guestroom. He wants to know how much, and you quote him a rate. In these ten seconds the guest will decide on price alone whether to buy. If desperate or tired, the

guest will buy at almost any reasonable price. Call it *captive audience syndrome*. If not exhausted, the guest may decline and seek a lower rate elsewhere. Do not sell the bed. Instead, sell the “package” that includes upgraded accommodations, complimentary breakfast, free Internet access, and perhaps free dinner in the restaurant or through room service. If the guest is tired, chances are he is hungry. This means he just wants to hunker down for the evening and does not want to go out. If you quote the low price to an exhausted guest, he will take the offer and then order pizza delivery. Not much money to be made here. Especially during low occupancy periods for full-service and select-service hotels, take every opportunity to sell the entire hotel. Don’t opt for collecting marginal room revenue only from walk-ins.

5. Offer discounted rates for two-night stays to stimulate weekend occupancy. Many hotels not located near tourism areas suffer fallout in occupancy on weekends, especially if they do not have events booked in their function rooms for the weekend. This means that in addition to underperforming room revenue, ancillary revenue from the gift shop, parking, F&B, spa, and business center will be minimized as well. Each of these various departments thrives on the house count and occupancy; the number of people staying in the hotel will determine its revenue levels. Yet, so often, revenue managers fail to realize the importance of booking weekends for two full nights instead of one. Failing to secure bookings for two weekend nights creates incredible strain on the housekeeping and front desk staff while unintentionally steering guests away from breakfast, lunch or dinner in the restaurant or room service. For Saturday night only stays, guests all want to check-in early, and then depart late on Sundays. The pace is more frantic for them as they attempt to squeeze as much as possible into their 24-hour stay instead of having it spread over 36 or 40 hours. How does a hotel reduce the frenetic pace and drive up weekend revenue? The answer is to offer high room rates for one-night weekend stays and appropriately discounted rates when guests book for both nights. This will enable the hotel to maintain its typical 24-hour cycle and will drive guests to enjoy the ancillary services that a hotel offers at a more leisurely pace. When faced with high room rates for both weekend nights, guests will frequently opt for only one night, though they want to stay both. Make the decision easier for them by setting higher rates for one night and lower rates for two-night stays.

6. Sell Sunday night as a last minute add-on. Most hotels experience incredibly low occupancy on Sunday evenings. The weekend leisure guests have departed and the majority of business travelers will not arrive until Monday or Tuesday. Few functions or special events will occur on Sunday evening. Consider offering Sunday night as an add-on for a Saturday night stay for half price. Only offer this add-on when guests are checking-in; do not advertise it online or as part of advanced bookings. Again, the perception of a last minute bargain creates impulse buying and generates last minute revenues for the front desk. Sunday night add-ons will also generate higher revenues in ancillary departments and create more even demand and workload among departments. Remember, the goal of any effective revenue or sales manager is to generate profitability through high but consistent demand. Seek to eliminate the valleys in the demand curve by stimulating demand on the hotel’s traditionally weakest night of the week.

7. Keep a well-stocked pantry or convenience store next to the front desk. For less than an initial outlay of \$2000 for snacks, drinks, personal hygiene and convenience items, a hotel can easily realize \$1000 or more in sales per week, typically much more. The mark-up for these items can be high as guests will tolerate a higher price as a matter of personal convenience. It is not uncommon for hotels to experience 300% profit or more on the sale of convenience items. After each delivery of items for the pantry, remember to price items according to the cost + markup percentage. Again, the goal is to keep the guest within the hotel rather than expending their money outside of it.

8. Check the rate variance report nightly before posting room rates. Sometimes front desk clerks will override negotiated rates, either intentionally or by mistake. Before posting room rates for the evening, always check the rate variance report to ascertain which rates entered into the guest accounting system do not match established negotiated rates. Since most hotels now empower front desk clerks to override rates as a matter of judgment, it is imperative that they also provide adequate justification in the notes field of each guest account explaining the reason for the reduced rate. Failure to provide such justification should then be interpreted as an entry error and amended to the negotiated rate. By paying close scrutiny to the room rates before posting each night's room rate and tax, hotels can minimize the need for adjustments later and recapture potential foregone revenue. ✧

(Dr. William D. Frye is an educator, former resort general manager, and co-author of the textbook Managing Housekeeping Operations, published by the American Hotel & Lodging Association's Educational Institute. E-mail: wfrye@roomschronicle.com)