



From the Editor

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Based on my recent travels and observations, as well as my conversations with many hoteliers, it has been a good Summer for the lodging industry. Occupancies have increased beyond most expectations and room rates have been driven much higher than ever projected. The impending Autumn travel season appears to be robust as well. This is all good news!



Given the underperforming year of 2009 and the downward spiral caused by the economic recession, perhaps we have just become smarter as hoteliers? Or perhaps we as a collective industry have just “right-sized” ourselves in terms of how we should really be operating our hotels?

Undoubtedly, most of the players in the airline industry have felt the inability to generate profits for much of the past ten years...until now. Everyone is making money. What has changed? Air carriers have cut back on the number of flights per day and are flying with higher load factors. They are also charging much higher airfares than before and many are avoiding the all out price wars that led to their unprofitability. Travelers have to fly and as such are paying the higher airfares and squeezing onto full planes.

Hotels should embrace this lesson, as they have learned many others from the airline industry. Maintain or increase room rates, continue to operate on a leaner model that leads to higher profitability, and avoid the rate wars that force hotels to discount unnecessarily. Yes, travelers still got to stay somewhere when away from home. Seize the moment, embrace the opportunity to redefine how you operate as a business, and hold firm in these convictions. Profitability will be realized one way or another.

William D. Frye, Ph.D., CHE
Executive Editor

Correction

In the Ask Gail column of the May/June issue of *The Rooms Chronicle*, the author of the foreword in Stanley Turkel's book on *Great American Hoteliers* was misidentified as Stephen Richmore. The foreword was written by Stephen Rushmore, President, HVS International. TRC regrets this error; we strive for accuracy throughout our publication.