Deciding whether or not to accept pets

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How much is that doggy in the window? This is a childhood tune that many of us can recall. While still used to lull many an infant or small child to sleep at bedtime, it is a compelling question that hotel owners and operators need to ask themselves in today's competitive business environment. Just how much is that doggy worth to me?

Fastest growing segment

Hotel guests who travel with their pets represent a substantial potential market segment that remains relatively underserved. According to Cathy Keefe, spokeswoman for the Travel Industry Association of America, there are as many as 68 million dog owners in the United States who commonly face struggles in their search for pet-friendly lodging. TIAA estimates that 14 percent of Americans who vacation in 2003 will do so with the family pet. The American Automobile Association reports that 78 percent of those leisure travelers will vacation with their dogs, while 15 percent take their cats, and 2 percent bring along their birds. The remaining 5 percent take other pets such as rabbits, fish, turtles, and ferrets.

Indeed, travelers with pets are becoming the fastest growing new market segment for hotels. According to Brian Bailey, spokesman for Bring YourPet.com, "We pet lovers have traveled that road where finding a hotel that takes pets is like looking for a flea on a sheepdog. Now the travel industry is wising up as more and more lodges become pet-friendly beacons. The pet travel industry is booming and it's only going to get bigger."

Fees and policies

Deciding whether to jump on the pet-friendly bandwagon and allow pets on property and in guestrooms is an individual decision that each hotel must make. Many pet-friendly hotels have increased room revenue by renting accom-modations to travelers with pets and/or by charging a "pet fee" or surcharge. According to TRC readers who responded to last issue's How Do You Do It?, typical pet fees can range from \$5 per day up to \$20 per day. Furthermore, several respondents indicated that their lodging property also imposed a mandatory pet deposit fee in addition to the daily surcharge. Some respondents noted that this one-time deposit fee was nonrefundable and used to recover the costs associated with the extra cleaning and more frequent renovation that guestrooms which have been occupied by pets often require.

"As an extended stay brand, Towneplace Suites by Marriott allows pets in all of its hotels," says Chris Gibson, general manager of the TownePlace Suites by Marriott, Houston NW. "Fees and surcharges vary by location. At our Houston NW property, we charge a \$75 nonrefundable fee at check-in plus \$5 per day pet fee. This money goes to carpet and drapery cleaning once the guest checks out. Most guests that have family pets have no problem paying the fees. Typically the pets are like their kids. The fees are per room, not per pet, and there is no size limit on the pet. The only rules are that we require the owner to pick up after their pets outside and keep them leashed while in the hallways or public areas. Of course, we do not charge any fees for service animals."

The economic impact

Probably the key factor in determining whether or not to allow pets on property is the economic impact of such a decision. Because of the recent decline in travel and hotel occupancies and revenues, hotels are more reluctant to turn guests away.

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Starwood hotels announced in August that dogs will now be welcome at its 300 worldwide Sheraton, Westin and W properties. Nadeen Ayala, the director of corporate public relations for Starwood, said the program, called "Love That Dog," is the brainchild of dog owner and Starwood Chief Executive Barry Sternlicht. "We intend to become the most dog-friendly hotel company in the land and not just allow dogs to stay, but actually pamper and spoil them," Sternlicht said. As a result, some Starwood properties are offering special amenities to pooches, including "heavenly" dog beds, a feeding mat with dog bowls and a welcome kit, dog-waste cleanup supplies, and even doggy robes, gourmet bones, and toys for the pooch.

Perry Anderson's rationale for allowing pets at his Comfort Inn hotel in Colville, Wash., is straightforward. "We have a good number of senior travelers who travel with pets. In order to provide to that market segment, we have to provide a pet policy that allows pets. We have had a policy for seven years and have had only one unfortunate experience. Our hotel was able to change our policy after that and have had no other issues with pets. Guests traveling with pets can represent a substantial source of revenue for a 53-room Comfort Inn."

While estimates vary considerably, a 75-room limited-service property could potentially increase room revenues by \$25,000 or more per year. A 300-room full-service property could realize \$100,000 to \$150,000 in increased room revenues by implementing a pet-friendly reservation policy.

Potential drawbacks

Accepting pets does not necessarily guarantee a substantial bottom—line revenue increase as there are potential drawbacks to implementing a pet-friendly policy. A well-thought-out plan of action is appropriate. Before proceeding, management should consider the following:

- Will more guests opt not to stay at your property if they know that pets are permitted? Keep in mind that not everyone is a pet enthusiast. And many people are allergic to pets.
- What about barking and other noise issues that can disrupt guests traveling without pets?
- What is the potential for damage to furniture and fixtures by pets? Will guestrooms require more frequent and costly renovations as a result of such damage?
- Is there a possible threat to guests or potential liability to the hotel for animals that misbehave (e.g. dog bites, etc.)? Is the hotel indemnified for such through a comprehensive general liability policy that does not list animal bites as an excluded peril?
- What fees will the hotel charge owners? What policies will the hotel implement and what rules will guests be required to comply with? What amenities will the hotel offer pets and their masters?

In the next issue of TRC

• Learn what sources and intermediaries are available to hotel operators to help them market their property to travelers with pets.

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