



# Marketing

by Peter Yesawich, Ph.D.

## Need to sell hotel rooms “in a flash”? Consider flash selling!

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

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One of the more controversial marketing techniques to emerge from the challenging business climate that prevailed last year is “flash selling,” or the blasting of time-dated offers to targeted prospects via email. The technique started in the airline business as a way in which to liquidate unsold inventory on selected routes. Hotel companies trying to pump up occupancy on otherwise slow dates were quick to follow. Even meta-search engines now flash sell complete vacation packages.

### What is a flash sale?

The answer is a time dated offer that arrives unexpectedly and requires an immediate response to book the featured promotional fare or rate. For example, the email may announce a “12-hour” fare sale on selected routes flown by an airline. Alternatively, it might announce 50% off the entire room inventory at a featured hotel or resort over a forthcoming weekend. In either event, the offer is: 1) generally restricted to individuals with whom the travel service supplier has an established relationship (e.g., member of a frequent flyer or frequent guest program), 2) one that features a compelling discount and/or premium, and 3) one that may only be booked if acted upon within the stated time frame.

Flash selling emerged as a low-cost alternative to other forms of business development used by a growing number of travel service suppliers during the depth of the Great Recession. Not surprisingly, the technique is controversial because it may compromise rate integrity, not to mention raising the ire of meeting planners and/or clients who may be bound contractually to pay higher fares/rates. Nevertheless, the decision about whether or not to launch a flash sale frequently boils down to the expected incremental income, even if the calculation contemplates the cost of alienating some existing customers/clients along the way.

### Do flash sales work?

According to the results of our soon-to-be released *2010 Portrait of American Travelers*SM:

- Almost three out of ten (27%) active travelers took at least one “last minute” leisure trip last year;
- One out seven (14%) purchased a travel service as a result of receiving an unexpected email from a travel service supplier;
- Almost half (47%) of those who purchased a travel service as a result of receiving an unexpected email booked an airfare and/or lodging, while fully four out of ten (38%) purchased a complete vacation package, and one out of five booked either a cruise or car rental.

Millennials and GenXers appear to be more responsive to these unexpected offers than their older counterparts. And it is interesting to note that affluent travelers (annual household income greater than \$125,000) appear to be more responsive to such offers than households with more modest incomes as revealed right and on the next page:

	AGE					INCOME	
	ALL	18-30	31-44	45-53	54+	\$50-\$125k	-\$125k+
Ever purchased a travel service as a result of receiving an unexpected email from a travel service supplier that required an immediate response to book the featured price or offer.	14%	17%	18%	13%	7%	14%	21%

Whether or not “flash selling” will become a standard component of future travel service marketing programs remains the source of considerable speculation, particularly as demand for travel services continues to improve. Nevertheless, the appeal of the technique in the current market environment is evident and something hotel marketers may wish to consider in more depth. ✧

*(Dr. Peter C. Yesawich is Chairman and Chief Executive Officer of Ypartnership, America’s leading marketing, advertising and public relations agency serving travel, leisure and lifestyle clients. The agency represents clients in every category of the travel industry through eight offices across North America and Europe. Ypartnership is an integrated marketing communications company that is known for its strategic thinking, breakthrough creativity, and innovation in marketing practice. The firm’s Research and Brand Strategy Group is also regarded as one of the most respected sources of insights on the emerging travel habits, preferences and intentions of Americans, and co-authors the widely-acclaimed National Leisure Travel Monitor™ survey with Yankelovich Inc. Ypartnership has conducted research and published analyses on affluent travelers, meeting planners, American gamblers, family travelers, and more. For more information on the new Ypartnership/Harrison Group 2010 Portrait of American Travelers<sup>SM</sup> please visit the Publications section of [www.ypartnership.com](http://www.ypartnership.com).)*

	AGE					INCOME	
	ALL	18-30	31-44	45-53	54+	\$50-\$125k	\$125k+
Travel service purchased as a result of receiving the unexpected email.							
Airline Tickets	47%	52%	42%	50%	33%	46%	50%
Hotel Lodging	47%	57%	57%	38%	30%	47%	47%
Vacation Package	38%	50%	39%	34%	16%	37%	41%
Cruise	21%	29%	17%	21%	37%	20%	29%
Car Rental	20%	25%	24%	16%	0%	19%	20%