

## Hotel Investment Strategies

## Random Thoughts About The Hotel Industry

Every so often I like to sit back and just think about what is happening in the hotel and travel industry. This week I am teaching my hotel valuation class at the famous hotel school in Lausanne, Switzerland, and my mind has been challenged by some very intelligent young people. Here are a few of my random thoughts.

- The students at the best hotel schools around the world are unbelievably bright and receive state-of-the-art training. However, are they going to stay around and run our hotels or move on to higher status jobs with more lucrative salaries and better hours?

- Airlines blame passengers for bringing too much carry-on luggage aboard their flights. The real problem is the unreasonable amount of time it takes to retrieve checked luggage. If your bags regularly make it to the carousel before you do, almost everyone will opt for this convenience.

- Consolidation of hotel brands might benefit the hotel companies, but this trend can be highly detrimental to individual hotel owners. We are starting to see confused travelers unable to differentiate

among brands offering the same frequent travelers' points, the same reservation telephone number and the same advertising space. When hotels become a standard commodity, customer decisions will be based largely on price.

- Does a boutique hotel have to also be an uncomfortable hotel? If you want to get this frequent traveler to stay at one of these places, you better make your guestrooms a lot more comfortable. Minimalistic decor and furnishings will not have long-term appeal for most travelers.

- Hotel development in emerging countries needs to focus on good quality, affordable accommodations. There is often a huge quality spread between the most and least expensive hotels.

- When I go through airport security in some of the most secured airports in Europe (i.e. Frankfurt), I don't have to take my laptop out of my carry-on, my teeth fillings don't set off the metal detec-

tor, my shoes do not have to be removed and I am not hassled by an arrogant person patting me down. In the United States, I am driving a lot more these days.

- Do I really want some guest history database knowing that I read *USA Today*, prefer a king-size bed, no-smoking room, enjoy rare hamburgers and cola for breakfast, buy pretzels from the minibar and watch the in-room movies on selection 50?

- My prediction that video communication would greatly reduce business travel still has not occurred.

- Hotel employees should be immediately terminated if they ever say, "No, that is not possible."

- If you want guests to start using your hotel's long distance carrier, why don't you offer more reasonable phone rates? Every-



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—Stephen Rushmore

one knows you can call anywhere in the United States for 5 cents a minute on a cell phone. With a hotel's purchasing power, you should do better than that. Five cents a minute long distance rates would set your hotel apart from all others.

- On a similar topic, when given a choice between two comparable hotels, I will always select the hotel with high-speed Internet access

in the guestrooms—even if I have to pay more for this convenience and even if it does not serve hamburgers for breakfast.

- Why can't all hotels put the final bill under the door the morning of departure and encourage express checkout?

If you have some random thoughts of your own, please send them to me at [srushmore@hvsinternational.com](mailto:srushmore@hvsinternational.com) for my further consideration. ♦

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