

It's not just about price

While there's still a strong emphasis on cost containment, accommodation expert **Pierre Joseph** argues that organisations need to consider a range of criteria when selecting their preferred hotel suppliers.

Le Méridien at Rialto ►►



FOR TRAVEL MANAGERS trying to decide between accommodation options when selecting a preferred property or group, the choice of hotels can sometimes be overwhelming. Often, part of the objective is to try to shave off dollars from the organisation's travel budget and consequently, the temptation may be to focus solely on the price of the hotel room (and therefore potential cost savings). But what other factors should be considered and what impact may these have on the overall value of the properties and rates in question? Each organisation will have different requirements for its travellers, so its travel policy and preferred accommodation providers should be tailored to the specific business travel needs of the organisation. Some of the factors to be considered are more obvious than others and not all have a direct cost impact. However, all of these will determine the overall suitability

of the property to be designated as the preferred accommodation supplier.

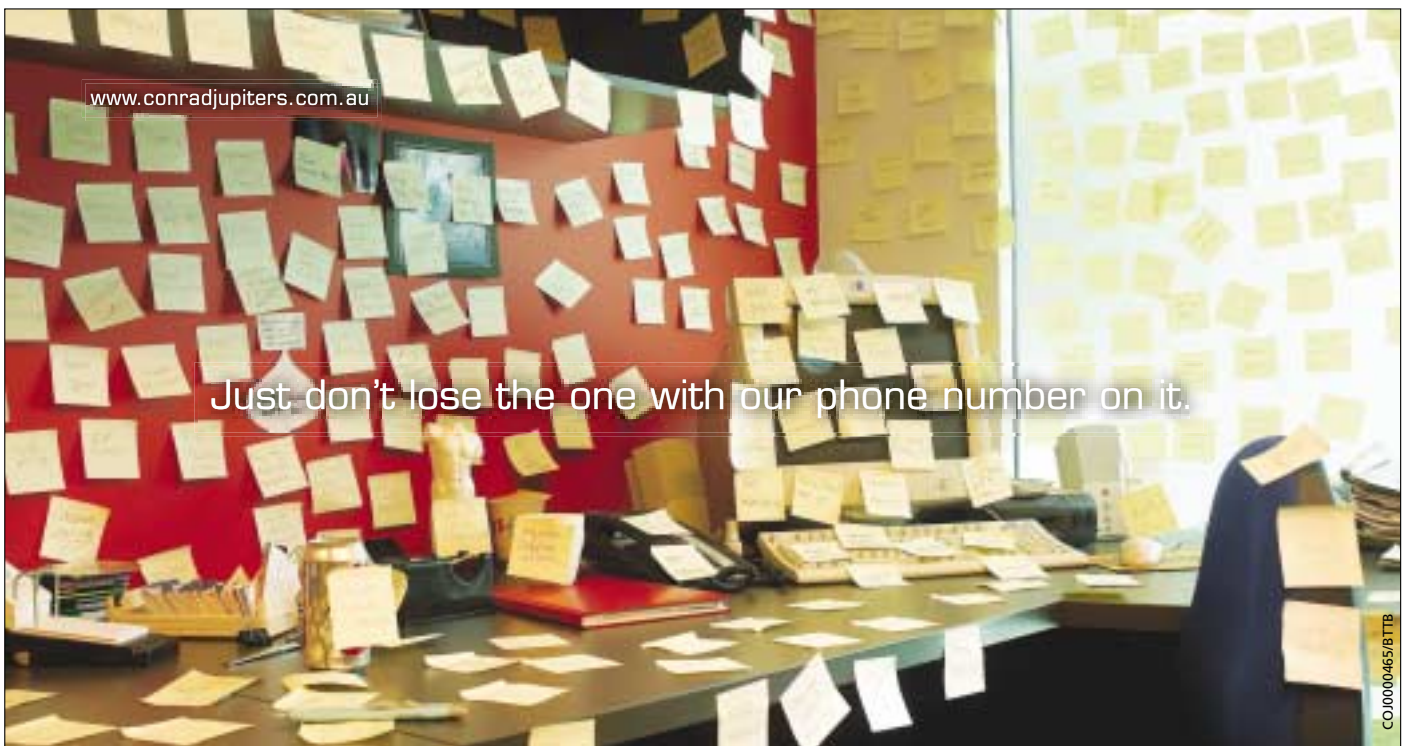
Location

The location of the hotel is often cited as one of the most important factors in choosing the property for business travel. In CBD areas there will be more accommodation options, but in regional or remote areas, there may not be as much choice, so the travel habits and needs of the organisation may limit your choice of preferred properties and chains. Is the property in close proximity to the office or venue where the traveller needs to conduct his or her business? A location within easy walking distance to the place of business is ideal, as transport costs will add extra expense to the overall business trip and can easily negate any savings made on a cheaper room rate. Are there restaurants and shops nearby the hotel? Again, if the property's location is not

convenient for these purposes, this may add another layer of unnecessary expense and inconvenience for the traveller. Is the property located in a safe part of town or would walking alone at night near the hotel pose a risk?

Room rates

What about the price (room rates) offered by the property? In order to compare room rates accurately, it is important to consider all the conditions involved. Are there any inclusions such as breakfast, car-parking or courtesy shuttle services either to the airport or the city CBD or convention centre? These may all impact on the overall cost of the trip. What is the cancellation policy of the property on their preferred client rates? Is the preferred rate offered on last room availability at the hotel or can they restrict its availability in their reservations systems? What is the property's



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policy over special event or peak periods? Will they charge a surcharge on top of the quoted preferred rates over special event periods? Do they keep a quota of rooms aside for preferred corporate clients over these dates? Are the room rates offered eligible for any frequent flyer points or guest loyalty programmes offered by the property or group?

Product

Clearly the physical attributes of the property need to be considered to make sure they meet the needs of the business traveller. Clean, secure and comfortable rooms are obviously mandatory, but what else might be considered? Often, there may be a choice of both a serviced apartment-style product and the more traditional hotel room product. Which product type would suit the organisation's travellers better? If the business travel typically involves

longer stays, the extra space and amenities such as full cooking and laundry facilities offered by most apartment-style hotels may be imperative. What specific amenities does the property offer for the business traveller? For example, do the property's rooms have large working desks with good lighting, ergonomic chairs, broadband internet access or modem data ports, voicemail facilities or in-room fax machines? Does the hotel have an on-site restaurant, a pool or a gym? What kind of security and safety measures does the property offer? Items to be considered are appropriate fire and anti-theft devices such as smoke detectors, sprinkler systems, in-room safes, electronic keys and limited access to hotel lifts. Do business meetings need to be conducted at the hotel, and if so, does the property have either convenient public areas or dedicated meeting rooms or are the

hotel rooms themselves suitable for such purposes? Within Australia, the property's official star rating by the AAA Tourism body will usually give a good indication of the hotel's physical product quality although it does not always accurately reflect the level of service on offer.

Services

What level of hotel services is required by the organisation's travellers? Do they require such services as 24-hour room service, portering and concierge, laundry and dry cleaning or secretarial services? Often these types of services are not offered by many apartment-style hotels as well as the mid to lower end of the AAA star-rated properties. In many cases, services one might take for granted such as a 24-hour check-in facility or 24-hour access to the hotel reservations department may not be available at the property. So if the organisation's travellers have a regular requirement for any special hotel services or access to basic services outside normal office hours, this also needs to be factored into the decision making process. Does the organisation require special chargeback/credit facilities with the property or accurate booking stay reporting for reconciliation purposes and is the hotel able to provide these easily?

Other factors

In addition to the factors already mentioned, there may be further considerations relevant to the organisation and its business travellers. Is the organisation able to leverage any of its own products or services when procuring a preferred property/group? Does the property or group offer any loyalty programmes and/or frequent flyer points? These are normally offered as an added benefit and without additional cost to the traveller. If the preferred property is part of a larger hotel group or chain there may be some

Top 10 things to consider when selecting a preferred property or chain:

- 1) Is the property conveniently located for the primary purpose of the business trip?
- 2) Is the physical product quality and room configuration suitable for your organisation's business travellers?
- 3) Does the property offer the appropriate services and amenities required by your travellers to effectively carry out their business?
- 4) Does the property (and area in which is located) offer a safe and secure environment for your travellers?
- 5) Is the property able to process bookings and payments in the manner required by your organisation?
- 6) Is the property or group able to provide your organisation with the appropriate reporting tools you may require?
- 7) Is the preferred rate offered on last room availability and over peak periods?
- 8) Is your organisation able to leverage any of its own products or services when procuring the preferred property/group?
- 9) Does the hotel group or chain provide any additional benefits which could be advantageous either to your organisation or travellers?
- 10) Is one hotel group or chain able to fulfil all your accommodation needs in CBD, regional and remote areas?

additional benefits available to the organisation. These include access to a discounted corporate rate for personal travel by the organisation's employees at other properties that are part of the chain, or access to discounted rates throughout the chain for other accommodation needs the organisation may have such as conferencing or incentive travel. Although most independent hotels offer an excellent product and service level, another benefit of booking a chain affiliated hotel is that the property must meet a certain standard in quality, service and facilities/amenities to be part of the chain. If for some reason an aspect of the stay is less than satisfactory and no suitable resolution has been offered by the property direct, there will be further recourse options available if the hotel is part of a chain. And finally, does the

property or group support the organisation's preferred hotel programme (and the compliance thereof) by offering additional initiatives such as a dedicated account manager and educational visits for accommodation bookers at the hotel?

Hence when selecting a preferred property or group, it is vital that the location, product quality, facilities and services provided by the hotel match the needs of the organisation's business travellers most accurately. It does not make sense to pay for facilities and services that are generally not used by the travellers. However, it would also be short-sighted to try and save money on the room rate by sacrificing elements of convenience or comfort. A good travel management company will be able to assist in the development of a preferred hotel programme that meets both the budgetary requirements and

accommodation requirements of an organisation. Perhaps even more importantly, by offering additional tools and services such as a streamlined booking process, online self-booking tools, accurate management reports and expense management solutions, a good travel management company will be able to assist in the enforcement and compliance of the preferred hotel programme and therefore allow the organisation to reap the maximum benefits of having such a programme in place.

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