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Planning for
**HOSPITALITY
RECOVERY**

SALES

IN COLLABORATION WITH





We Will Persevere

If someone had told me not that long ago that the global travel industry would face its greatest ever challenge in 2020, I would have been skeptical. After all, 2019 was a great year for travel, with solid growth across all sectors and a healthy outlook for the future. And yet here we are, in the midst of the worst global pandemic in living memory, struggling with massive disruption to our industry across every global region.

While we're all facing tough decisions and uncertainty in the face of the current crisis, it's important to remember that we as an industry will continue to persevere. We have faced difficult times in the past and may well have to face them again in the future, but the human spirit's natural desire to further ourselves through new experiences will not be dominated by COVID-19 or any other setback we may face. Travel signifies progress, whether that is in the form of personal growth and fulfillment, new business opportunities, or any other driver. In parallel with other industries such as retail and food service, our ability to recover and reopen for business will help signify to the world the dominance of the human spirit and our ongoing support of global progress.

I hope the best practices and tips found within our Hospitality Recovery series can help jumpstart your organization's recovery and reopening efforts to once again make available to guests all that is great about this industry we collectively serve. I would like to wish yourself, your loved ones, and your team members the greatest of health and success as we continue to navigate these uncharted waters together.

Sincerely,

Francisco Pérez-Lozao Rüter
President, Hospitality
Amadeus IT Group

New Resources for a New Day

HSMAI is proud to partner with Amadeus to bring these recovery playbooks to industry professionals to assist them in charting a course for recovery from the impacts of the coronavirus pandemic. Since the crisis took over the day-to-day focus of our industry and the world, HSMAI has been reaching out to our members to create an ongoing forum where they could address their shared challenges.

We created an online Global Coronavirus Resources center focused on content central to their disciplines. We have partnered with industry experts to provide guidance in free webinars. And from creating a special report on crisis management best practices, to offering scholarships for furloughed or laid-off industry members to continue their education or receive needed certifications, we have tried to provide access and expertise in a time of need.

Now, we turn toward recovery. As the industry slowly begins to welcome guests again, these playbooks are aimed at supporting sales, marketing, and revenue optimization professionals working for hotels, brands, and management companies with actionable advice. We are all learning together how to handle a new world of hospitality through knowledge sharing, gauging the intentions of travelers, observing best practices in parts of the world that are coming out of the curve, and implementing new policies and procedures.

HSMAI and our Regions in the Americas, Asia Pacific, Europe and the Middle East are committed to growing business for hotels and their partners. Throughout our 90-plus-year history, we have thrived in times of crisis as we have brought together people and resources. We would not be able to do it without partners like Amadeus working with us to bring you new resources for a new day.

Sincerely,

Robert A. Gilbert, CHME, CHBA

President and CEO

Hospitality Sales & Marketing Association International (HSMAI)



As COVID-19 disrupts travel and events on an unprecedented scale, hospitality professionals are united in their current challenges and uncertain future.

To help the industry plan for recovery, Amadeus and HSMAI have collaborated to produce a series of eBooks looking at salient trends and forces shaping hospitality. By leveraging the knowledge of Amadeus' experts, extensive industry research across market segments, and expertise of HSMAI board members worldwide, we hope you will find the insight you need to navigate crisis recovery. While we cannot propose exact answers for your property and business, we can offer a framework to help you make thoughtful and data-driven decisions.



CONTENTS:

This eBook outlines what your sales team can and should be doing to convert revenue as your property reopens. COVID-19 has brought fundamental change to events and social gatherings, and has greatly impacted operations, guest expectations, and customer needs as well. As the digitization of human interactions has irreversibly accelerated, sales teams must adapt now, or risk being left behind.

We'll cover:

- | 1 | Stages of Hospitality Industry Recovery
- | 2 | Key indicators of recovery
- | 3 | The critical path to an effective recovery strategy
- | 4 | Managing corporate accounts and volume contracts
- | 5 | Trends in sales for a digitally accelerated future

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Stages of Hospitality Industry Recovery

Setting up your sales team

for success starts with understanding that hospitality's recovery from COVID-19 will not be uniform.

This means that your property's revenue stream will be uniquely impacted based on elements such as your mix of group business and your property's physical location.

Unlike previous crises, the current situation presents a challenge that is simultaneously global in scale and hyper-local in severity. Regulations and travel restrictions, combined with varying impact across geographies, will cause variation in the speed of recovery globally.

4 Phase Theory: The Return of Travel

	HOTELS ARE CLOSED / NO TRAVEL		Return of Travel			
	Lock Down	Restricted Reopening	Local Reopening	Domestic Reopening	Continental Reopening	Global Reopening
Travel Restrictions	Borders closed. No travel permitted.	Borders closed. Minimize non-essential travel. Allowed to move around their own regions.	Non-essential travel resumes. Inter-regional travel discouraged.	No restrictions on domestic transport. Avoid travel if sick.	Limited restrictions on international travel. Avoid travel if sick.	"New normal"
Groups	Only immediate household. All social gatherings cancelled and public venues closed.	Up to 10 people. Public venues are closed.	Up to 50 people. Public venues can open.	Up to 100 people indoors and 500 people outdoors.	Up to 500 people indoors.	"New normal"
Flights	Extremely limited	Extremely limited	Regional flights return	Domestic flights return	International flights return	Long haul flights return
Hotels	Closed or quarantine / medical support only	Closed or quarantine / medical support only	Can reopen	Open	Open	Open

Source:

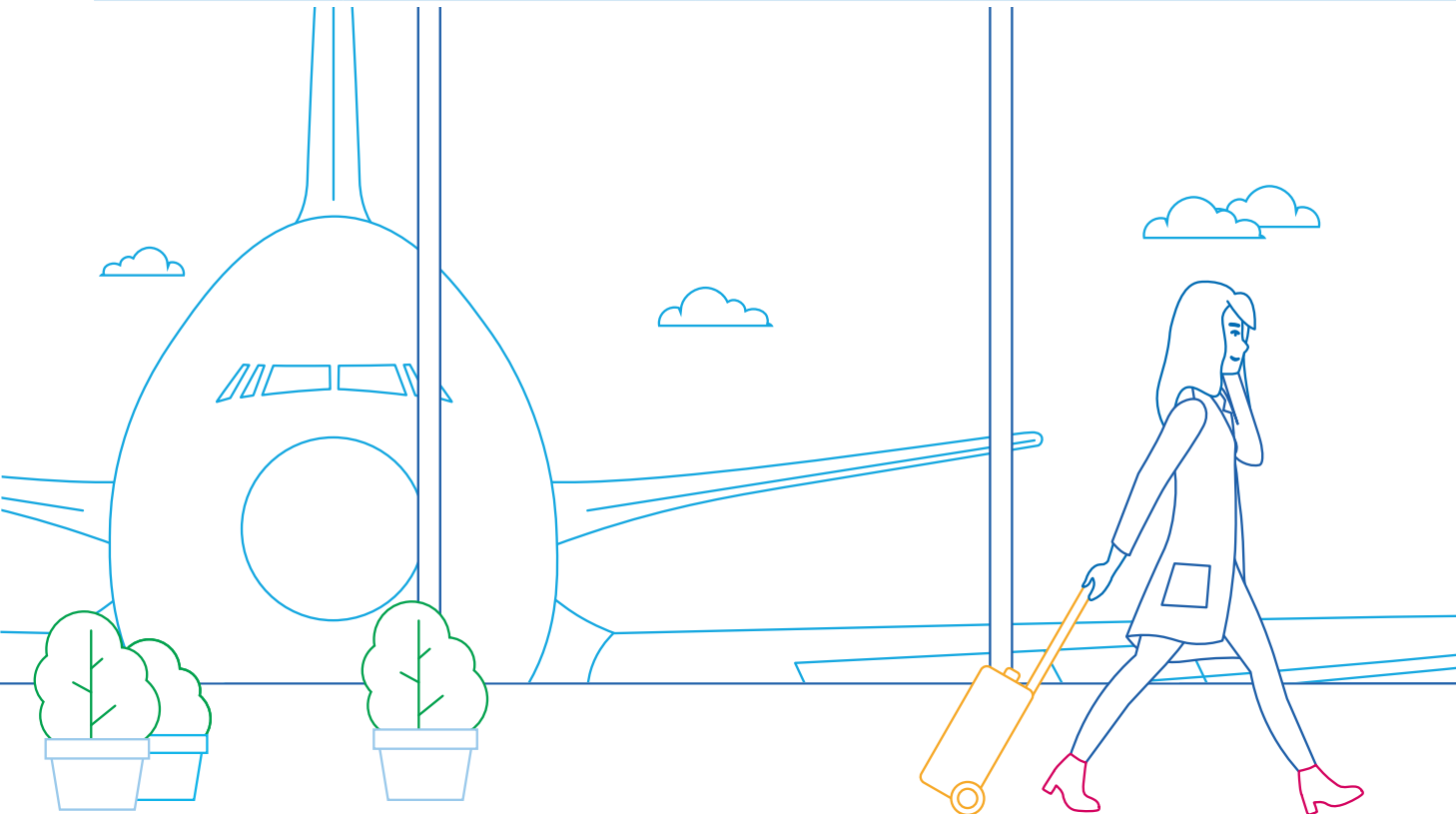
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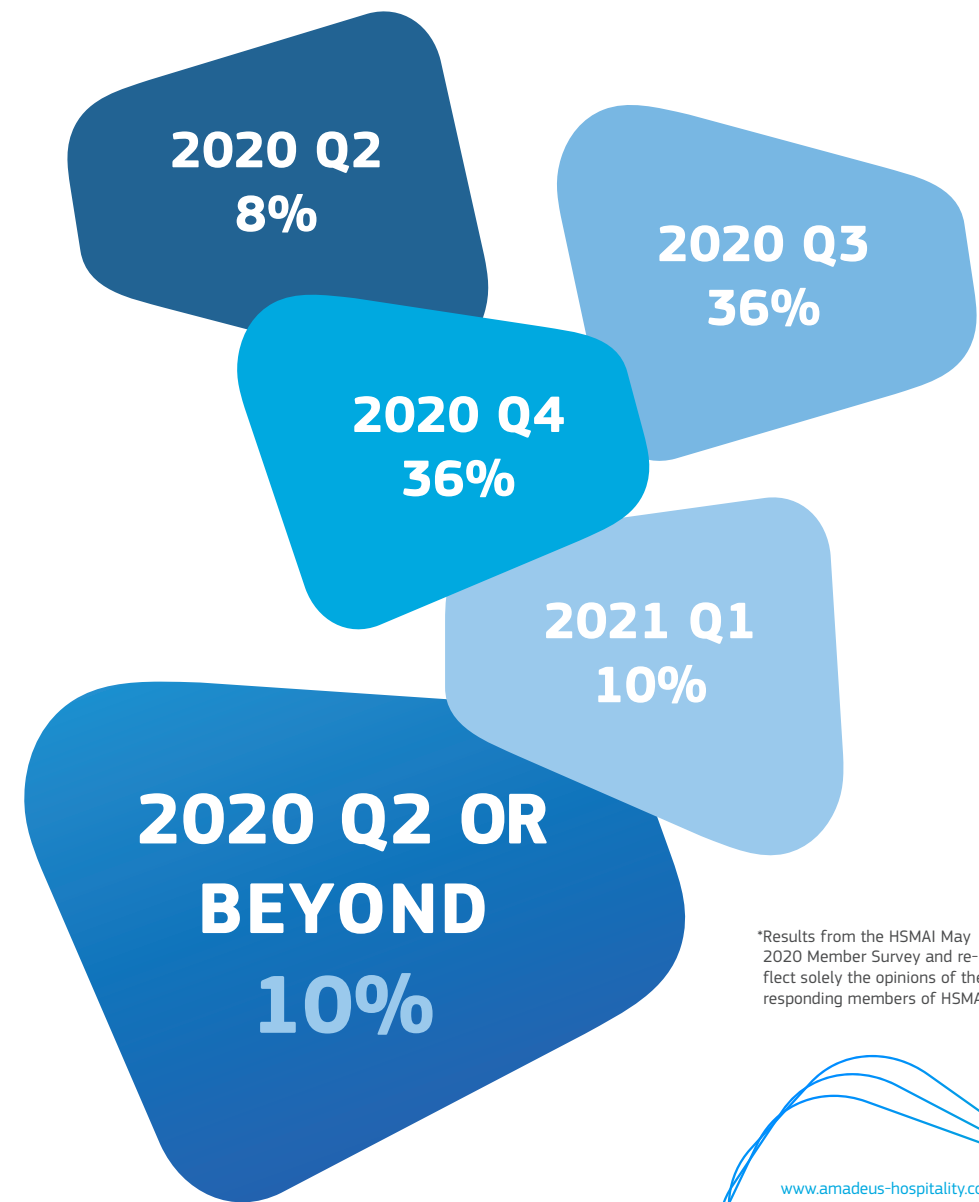
Sales teams need to understand that the main drivers impacting group business will be the locality of the event and attendance figures.

Simply segmenting your group business mix by familiar labels (such as leisure vs. business) won't provide the insight you'll need to create a coherent recovery strategy for sales teams to act upon.

Factoring in the inherent health risks and changing government regulations, the risk for an event being impacted increases exponentially as its crowd size increases. Similarly, the risk of an event being disrupted changes based on how local it is to its participants. Not only may people prefer to travel via a car rather than through airports and public transportation, but differences in regional regulations will further complicate the planning of any event that requires people to travel long distances. The more municipalities, states, territories, or countries involved, the more complex the spider web of regulations and expectations will be.

The framework in **FIGURE 1.** (see next page) can help you understand which event types might be impacted by locality and group size.

WHEN DO HSMAI MEMBERS EXPECT TO SEE SIGNS OF HOTEL RECOVERY IN THEIR PRIMARY MARKET?



Insights:

- Map out where your group business mix falls within Figure 1 and evaluate the relative impact your clientele will face on their path to recovery.
- Explore how you can make destination events more local. This will provide a roadmap to bring revenue back in the door sooner.



FIGURE 1

Note: These events are only examples and are used as estimates to help you visualize the recovery across your group business mix. This matrix may vary based on your geographical region.

The further up and to the right

an event type is in **FIGURE 1**, the longer it will take to come back to normal. In addition, larger groups will likely require more investments (technology, cleaning, insurance) to meet safety and regulatory needs. For example, a large academic conference with hundreds of attendees may request technology investments like fever cameras, PPE masks, or contactless food service before they book. Comparatively, smaller events might only require that their local government permits them to travel.

Action Steps:

- Evaluate where your revenue mix falls in **FIGURE 1**. This will determine the relative length of time before your usual business mix can return to normal. Doing so will provide a forecast for how 'at-risk' your future bookings are.
- Look for group business opportunities outside of your normal mix that are smaller and more local than your usual customers. Brainstorm creative uses of space, property assets, and promotions to target them.
- Consider targeting events that can be made more local, such as turning a vacation into a 'staycation' or turning a national board meeting into a smaller regional meeting with enhanced audio/visual technology.

“ You must accept that your business mix is going to change. We do see trends towards different speeds of recovery from different segments. We expect small-group leisure travel will recover first because people are looking for different scenery than their home or apartment. However, they will likely stay close to home and within driving distance with a focus on social distancing and safety. ”

— Evert Schuele
HSMIAI Advisory Board Member
Global

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Key Indicators of Recovery

Recoveries happen in stages,
and your actions must be sequenced to provide the right
service to your customers at the right time.

We have broken out key indicators to follow so you can understand where your market is in its recovery and what types of solutions your customers are looking for. HSMAI members strongly suggest getting involved in the local regulatory body of your community (town council, chamber of commerce, etc.) so that you can stay informed about exactly where your market is heading.

Key Regulatory Indicators to Follow:

- _ Travel restrictions in your local markets
- _ Travel restrictions in your key feeder markets (geographic regions where your clients/business originate)
- _ Guidance on group capacity maximums from local and national authorities
- _ Health code ordinances and licensing requirements from local and national governments

Key Market Indicators to Follow:

- **Market Demand:** Track search demand, occupancy rates, average length of stay, and booking trends across your competitive set. Compare your demand signals across platforms to understand your performance via OTAs and direct bookings relative to your peers. This will tell you if you are lagging or leading the recovery trend of your local market.
- **Feeder Markets:** Analyze market segment bookings between you and your competitive set, flight booking data from feeder markets, and the geographic origin of recent and future bookings. In addition, trends in the geographic origin of web traffic can be a leading indicator of future demand from feeder markets.
- **Competitor Campaigns:** Analyze the campaigns and advertising spend of your competitive set and local market. Monitor your competitors' websites for updated promotions and group packages. Evaluate new event types that your competitive set is selling and determine if any innovations can be brought into your property's event mix.

Action Steps:

- **Develop a dashboard** of key market indicators and assign a team member to track them weekly.
- **Instruct your sales team** to make understanding industry trends and regional news part of their daily routines.
- If you are able, **invest in market research and competitive intelligence tools** to gain insight into market trends and forward looking data such as flight booking data and competitive booking trends.
- **Package the information your sales team gathers** into expertise that you can share with your customers and community. This may include something as simple as sharing insights on local travel trends via LinkedIn or presenting a webinar based on your research to your chamber of commerce.

“ Hotels need to sell themselves as part of the community. Unless you have a very specific property with a strong theme, it's not about selling the rooms. It's about selling the access to everything you get when you stay at a property. ”

– Benedicte Ollagnon
HSMIAI Advisory Board Member
Europe

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Building an Effective Recovery Strategy

Maintaining Sales Team Continuity and Motivation

During economic downturns, it's more important than ever to keep your sales team motivated, engaged, and empowered as you navigate towards recovery. Reopening to your local markets and then to the broader market will put an emphasis on new skills and lines of communication. Our research suggests that the following strategies will help you capture as much from the reopening process as possible.

- **Keep in touch,** It's critical to maintain regular communication with anyone that you may be hiring (or rehiring) soon. Even if they are not on-property yet, it's essential to make your future colleagues feel valued and part of your business plan to move forward.
- **Invest in Learning New Skills:** This recovery will demand new skills from your sales team. With such a sharp drop in demand and restrictions on physical meetings, the sales environment of the recovery will reward those who can prospect digitally. Provide training plans that will allow the team to develop the skills they need, such as digital relationship building, consultative selling, or software training. View this as an investment that will reward you as the market continues to build.
- **Formalize Information Sharing Between Sales and Other Teams:** Sales teams need to be intimately familiar with new pricing strategies, technology investments, operational changes, and community developments. Formalize cross-functional communications between sales and the rest of the organization.
- **Position Sales as Intelligence Collectors for the Property:** Sales teams are your eyes and ears into a changing world. Let your sales teams do what they are trained to do (building relationships, networking, and understanding customer needs) and elevate their insights to property decision makers.



“ The sales team is your link to the outside world. Let salespeople do what they do best – communicating, networking, and building relationships – and use these insights to plot your path forward. ”

– Brigitte Gruber
HSMIAI Advisory Board Member
Europe

Reevaluate Your Strategy

Take the time to pause and to reevaluate your overarching strategy. Successfully navigating recovery will require you to contextualize your previous strategy with the information you've garnered from market indicators, repositioning your sales team, and the conditions of your local community. It's important to understand that the right strategy for your property going forward is unlikely to come from the models you previously used for reference. Instead, using the latest comparative data and forward-looking forecasts will better equip your decision making for what's ahead. We suggest the following three areas to focus on as you build and execute a recovery strategy.

- **Think Local:** Our research indicates local markets will recover first. Now is the time to strengthen community relationships and to explore creative partnership opportunities such as space sharing or creating new experiences with local vendors.
- **Create New KPIs:** Keep team members motivated by developing KPIs that reflect the new actions that the sales team needs to navigate the crisis. Whether it's check-in calls, retained bookings, or community partnerships – celebrate new types of 'wins' and capture how sales teams are impacting their coworkers, communities, and longer-term prospects of the property.
- **Create New Buyer Personas:** Your business mix is going to change. In some cases, your business will be more local and community partnership based. In other cases, it will be familiar groups that are looking for something novel, such as bringing an event virtual. On an even more fundamental level, customers across every segment will place a premium on cleanliness and safety. With the dawn of '[Generation Clean](#)' your property's ability to meet cleaning standards are now inextricably embedded in customer expectations. Regardless of the segment you have traditionally served, you now have a buyer with newly evolved needs. Create personas for them, understand what they need and will expect, and clearly define how your property is uniquely positioned to serve them.

“ We all know that the hotel industry is going to change. But we know far less about how our customers' business will change. Sales teams must go into investigative mode and understand how their customers' business is shifting. The sales teams that understand this are the ones who are going to win. ”

– Holly Zoba
HSMIA Advisory Board Member
North America



Tactical Actions as Recovery Unfolds

Now that you've identified some initial recovery strategies for your property and set the foundation for your sales team to be successful, several tactical steps will position your team well to take advantage of a growing market.

- **Check-in with Your Customers:** You cannot have success without empathy. Now is the time to understand what your customers are going through and to fortify your relationships with them.
- **Clean Your Contact Database:** While your sales team is making check-in calls, use this as an opportunity to update your contacts as you go along. This crisis has caused many roles to shift and jobs to change and putting the hard work in now will make your future efforts more efficient.

- **Create New Packages:** With new types of customers and shifting customer challenges comes the need for new product offerings. You may want to create packages with community partners for staycations or explore ways to stage a semi-virtual board meeting. Determine packages that will meet your customer's new set of needs and arm your sales team with the info to sell them.
- **Refresh Buyer Enablement Collateral:** Investments in your sales enablement assets now will pay dividends as the recovery heats up. This means updating seating capacity for socially distanced events, taking pictures of your event room set up with better audio/visual equipment, and updating your website with new packages and offerings.
- **Identify a Target List of Groups:** With an understanding of your customer's challenges, new buyer personas, and local market knowledge - create a list of groups your sales team should focus on first. Now is the time to deeply understand your customers' unique situations and to act accordingly.
- **Reevaluate and Repeat as New Markets Open:** As recovery starts to go through phases of domestic and global reopening, you need to review the effectiveness of your previous actions and revise them on an ongoing basis. With larger domestic and global restrictions removed, the conversations you have with your customers, the packages you offer, the collateral you provide your sales team, and the target lists you build must reflect these changes.



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Managing Corporate Accounts and Volume Contracts

Corporate accounts, RFPs, and volume contracts (or local negotiated rate contracts) are among the most significant challenges that sales teams face.

Remaining in touch with clients and updating contacts is critical as accounts experience organizational change and turnover. Keeping connections alive now will allow sales teams to recapture business when it returns.

Today's level of uncertainty makes it difficult to codify long-term commitments in a contract, which creates challenges as sales teams try to reach negotiated deals with their accounts. The result is an environment where both sides are evaluating the efficacy of their typical RFP negotiation process.

RFP Negotiations and Dynamic Pricing

Organizations such as the Global Business Travel Association (GBTA) have advocated for postponing contract negotiations and keeping 2020 rates throughout 2021. Such an approach has advantages because it simplifies negotiation processes and brings stability to both sides. However, freezing rates may create an untenable situation for corporate travel buyers who are finding ADR well below the negotiated rates that they previously locked in.

These challenges have created a push for flexibility and opened the door for serious consideration of new and dynamic pricing models for group business. Industry leaders expect a short-term equilibrium to emerge in which hoteliers use the previously negotiated corporate rate as a 'cap.' The cap allows corporate partners to take advantage of a floating best available daily rate whenever it is lower than the negotiated rate. In the longer term, hoteliers should consider the merits and challenges of different dynamic pricing models.



Simple Dynamic Pricing:

A simple dynamic pricing model provides a fixed percentage of daily market rates, providing a benefit as it may remove the need for negotiating seasonal adjustments and blackout dates. However, when rates recover, corporate accounts run the risk of paying higher rates than what they may have been able to negotiate traditionally.

Dynamic Pricing with Volume Thresholds:

Hoteliers may also consider a program in which they provide corporate accounts with a fixed percentage discount off daily rates based on volume thresholds. For instance, an account may receive a 10% discount from the lowest available daily rate for the first 100 nights, but then receive a 15% discount for the remainder of the year after they meet the threshold. Volume thresholds are helpful as they allow accounts to benefit from some level of volume discounts without committing to a defined block of business upfront.

Blending Fixed and Dynamic Pricing:

Sales teams could also explore a blended approach in which they negotiate fixed rates for large accounts but institute a dynamic pricing program for smaller, more price-sensitive clients. This approach has the potential to lock in volume commitments and sustainable prices from larger clients more concerned about future protection from higher rates while simplifying negotiations and providing flexibility to clients facing more uncertainty.

Overall, sales teams should understand the friction points and the levers at their disposal to problem-solve creative solutions that work for their customers and their property.

Even relatively small steps, such as introducing tiered thresholds within dynamic pricing models or advocating for month-to-month contracts until more clarity arrives, can provide the flexibility that both sides need to reach a deal.

“As a salesperson, you need to have empathy so that you understand why people are anxious and what they truly need. Customers are going to look to hotels that they can trust to help them pull off events safely. You must be able to communicate how you and your team are taking actions to make them feel safe and address their needs.”

- Ron Taylor
HSMIAI Advisory Board Member
North America

81% OF HSMIAI
MEMBERS ARE PRIORITIZING
CUSTOMER CHECK IN CALLS
AS PART OF THEIR
RECOVERY STRATEGY

76% OF HSMIAI MEMBERS
ARE STARTING TO PROSPECT NEW
TYPES OF ACCOUNT BUSINESS
THAT THEY PREVIOUSLY WERE NOT
FOCUSED ON

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Selling Trends for a Digitally Accelerated Future

The world's digitization has accelerated,

and this means tech-savvy skills that were once complimentary are now essential. Nowhere will we see a more significant shift in skillset than in sales. Human connection and relationships are the cornerstones of sales, but how we build and maintain these relationships is now irreversibly more digital.

Further, sales teams can no longer reach their goals purely as 'order takers'. The drop-off in demand caused by the crisis and the fierce competition for new business means that effective prospecting and relationship building are at a premium. The following focus areas will help your team win while selling in a world at the intersection of these two trends.

- **Consultative Selling:** Sales needs to position themselves as experts on their property, their city, and their customers' needs. A crowded digital marketplace is making it harder to set yourself apart, and customers no longer see value from cold calls and emails alone. Sales teams must understand that they are no longer selling rooms; they are selling their expertise.
- **Virtual Relationship Building:** Whether it's hosting virtual happy hours, online networking events, or leveraging LinkedIn to build a brand, maintaining virtual relationships is an art form that many sales reps have not had formal training in. Invest in classes and training to provide your sales teams with a foundational set of skills needed for a virtual world.
- **Proactive Problem Solving:** With social distancing, events now require more square feet per attendee. This means that every property now effectively has less event space. If your property no longer has enough space for a gathering that's already on the books, it's time to look for solutions. Whether it's finding an off-property meeting space that attendees can use in the day (while still staying in your rooms), repurposing unoccupied outdoor space, or investing in audio/visual equipment to make the event a virtual/in-person hybrid event – empower your sales team to create solutions and keep existing business on the books.

**51% OF HSMAI MEMBERS
ARE INVESTING IN DIGITAL
RELATIONSHIP BUILDING TRAINING
FOR THEIR SALES TEAMS**



“ Effective selling is both an art and a science. With the flood of demand over the past decade, we have perhaps swung too far to the side of science as we focus on reports, metrics, and efficiency. The sales team must again become order makers. We can do this by focusing on relationship building, exploring new opportunities, and getting back to the basics of what makes hospitality special. ”

- Sherif Omar
HSMIAI Advisory Board Member
Middle East

Sales teams have a unique role to play in the recovery of the hospitality industry as they are the link between revenue generation and the changing needs of customers. To fill this role, sales should approach recovery in phases and then identify key metrics to influence the timing of their actions.

Ultimately, success will come through combining this knowledge with a deep understanding of customers' new challenges and a commitment to solving them in new and creative ways. Sales teams and property leadership should invest in digital relationship building skills, exploring new partnerships within the local community, and establishing clear communication between the sales team, operations, and managers.

To learn more about Amadeus and the series of recovery eBooks on marketing, revenue management, and operations, [visit the Amadeus recovery hub here.](#)

To learn more about HSMAI and their global network of hospitality. Thought leaders and industry advisors [go here.](#)

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Michael Goldrich

HSMAI Advisory
Board Member
- The Americas

Carolyn Hosna

HSMAI Advisory
Board Member
- The Americas

Dan Wacksman

HSMAI Advisory
Board Member
- The Americas

Lauren Peress

HSMAI Advisory
Board Member
- The Americas

Sunny Yu Grosic

HSMAI Advisory
Board Member
- Middle East

Li Hawkins

HSMAI Advisory
Board Member
- Middle East

Fiona Gillen

HSMAI Advisory
Board Member
- Europe

Helen Radic

HSMAI Advisory
Board Member
- Asia Pacific

Holly Zoba

HSMAI Advisory
Board Member
- The Americas

Ron Taylor

HSMAI Advisory
Board Member
- The Americas

Mona Faraj

Managing Director
HSMAI
- Middle East

Sherif Omar

HSMAI Advisory
Board Member
- Middle East

Evert Schuele

HSMAI Advisory
Board Member
- Global

Benedicte Ollagnon

HSMAI Advisory
Board Member
- Europe

Brigitte Gruber

CRME, HSMAI Advisory
Board Member
- Europe

Cristina Polo

CRME, CHDM, HSMAI
Advisory Board Member
- EMEA

Frederic Toitot

CRME Chair, Revenue
Optimization Advisory Board
- HSMAI Europe

Damiano Zennaro

HSMAI Advisory
Board Member
- EMEA

Julien Barre

CRME, HSMAI Advisory
Board Member
- EMEA

Tim Wiersma

CRME Chair, HSMAI
Advisory Board Member
- The Americas



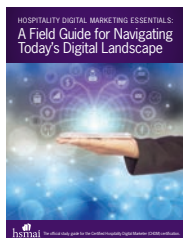
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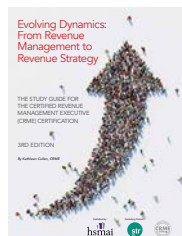
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Evolving Dynamics: From Revenue Management to Revenue Strategy



NEW! HSMAI and the Russell Partnership Technology announce a new option for the CHBA Business Acumen course and certification: the Individual CHBA, which will allow professionals to proceed through the course at their own pace without an instructor, while still benefitting from the experience of using the hotel simulation. Five-week instructor lead group course also available.

50% COVID-19 Crisis Discount on individual program through 7/31!

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amadeus

Through times of great change

the hospitality industry continues to demonstrate remarkable resilience. Together, we will learn, adapt, and grow towards a new future. As we look towards better days, Amadeus stands ready to help hoteliers worldwide manage the present and plan for the future.

Let's
shape the future
of hospitality

For further information, visit
amadeus-hospitality.com/crisis-management-resources/
or speak to an Amadeus representative today.

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