

Generating revenues

Q: What sort of things can I do to make sure I am generating revenue from every part of my building? I pay rent on every square feet and feel I should be maximising my sales on that basis.

IKEA make you walk through the whole warehouse familiarising you with their whole range and tempting you to buy more than you came in for.

Check in for a flight to Athens at Terminal One and the passenger passes through a veritable shopping mall with tempting offers and opportunities to dispose of earnings.

Check into an average hotel and the guest walks unaccompanied through dull corridors, a lift with mirrors and into a bland room peppered with stationery that purports to sell the restaurant, room service or the bar.

The lessons of the retail world are surely that:-

- a) hotel guests should be exposed as early as possible to as much as possible of the product and service offering. This can be achieved through design, through walking the guest to the room, through selling products and services in the room effectively, through encouraging trial purchase. Consider the guest as a captive audience for all the sales and marketing messages you can imagine.
- b) intermediaries (conference organisers, travel agents, travel managers) should be exposed to as much of the product and service as possible as often as possible so that they become your ambassadors.
- c) your staff should be encouraged to experience as many of the products and service as possible so that they too can sell the experiences.
- d) your guests should be rewarded for using more and more of your facilities.

And, as entrepreneur or manager of the hotel, you should be buying-in retail selling skills as a core competency of your management team.

But, and it's a big but, I suggest the focus should not be on increasing revenue per square meter; rather it must be on increasing profit per square meter, or better still profit per customer-day.

Don't be a busy fool like the guy next door!

End

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