

# SACRAMENTO HOTEL ASSOCIATION

Reader Board

September 2009

## Sacramento Hospitality Classic

September 21 Golf Tournament

*There's still time to participate in this popular annual event!*

Hospitality industry colleagues, clients, and vendors will gather on Monday, September 21, for another marvelous Sacramento Hospitality Classic golf tournament at WildHawk Golf Club. Come out and enjoy a day of tournament golf. Golfers of all skill levels are welcome.

*It's become a tradition...* Check in and start the day with a hot buffet breakfast and practice shots on the driving range. Savor a last cup of coffee while you peruse the raffle prizes you might win (if you've purchased your raffle tickets!).

Then it's onto the course as the carts parade from the clubhouse. Now, the day is yours—hours of friendly tournament play interrupted only by visits with generous event sponsors. Then stake your table on the patio for the awards reception and a savory feast prepared by local hotel chefs. After the fabulous food, it's time to hand out the tournament awards.

### Classic schedule:

Monday, September 21

- 8:30 a.m.  
Registration, hot buffet breakfast and driving range
- 10:00 a.m.  
Golf Tournament shotgun—best ball scramble, 18 holes  
Box lunches provided
- Tournament contest and prizes  
Putting contest, longest drive, closest-to-the-pin
- Raffle prizes
- Reception and award presentations at WildHawk immediately following the tournament featuring festive food stations hosted by local hotels.

Hurry and assemble your foursomes for this hospitality community event. Enjoy golf, fun, food, and prizes for \$150 per golfer. Register today at [www.sacramentohotelassociation.com](http://www.sacramentohotelassociation.com)—click on *Events*. Check out the golf course at [www.wildhawkgolf.com](http://www.wildhawkgolf.com).

## Metro Fire CERT and Radisson Hotel Team Up for Emergency Preparedness Training on August 11

On August 11, Sacramento Metro Fire CERT (Community Emergency Response Team) coordinated an Enhanced Training Program at the Radisson Hotel Sacramento. Thanks to General Manager Lisa Wilson and her team for hosting this training event. The training program was attended by 15 representatives from several hotels, including the Radisson Hotel, Clarion Hotel, Doubletree Hotel, Hilton Sacramento Arden West, Holiday Inn Express Downtown, Hyatt Regency and Sheraton Grand.



According to Betty Taylor, outreach coordinator for Metro Fire CERT, the overall objective for this training was to heighten awareness with regard to disaster preparedness, assist participants in planning for personal preparedness and reinforce the importance of safety and teamwork along with emphasizing the importance of mitigation prior to events occurring. The main goal was to provide attendees with knowledge and understanding that could be taken back to one's specific workplace for further discussion, planning and practice.



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# Hotel Data Analysts Make Predictions for Recovery

By Stacey Mieyal Higgins, Managing News Editor, Hotel News Now

People in the business of forecasting have it rough right now. On one hand, people are begging them to predict the future; on the other, people are saying the economic uncertainty is so great forecasting is worthless.

For those who fall in the first category, let's put it out there:

2009 projections	Occupancy	ADR percent change	RevPAR percent change	Demand percent change
PKF	54.9	-10.4	-18.5	-6.3
PWC	55.1	-7.6	-15.7	-6.2
STR	55.4	-9.7	-17.1	-5.5

Those who fall into the second category probably stopped reading after the headline, so let's continue with details from Mark Woodworth of PKF Hospitality Research, Scott Berman of PricewaterhouseCoopers and Mark Lomanno of Smith Travel Research at the early August Hotel Data Conference presented by Magnuson Hotels.

"2009 is not positive, but when you look at 2010, we start getting signs from the general economy that conditions are going to start to improve," Lomanno told attendees.

"The chances of things getting worse are limited, and the likelihood they will get better is great," Woodworth said.

Berman addressed the uncertainty by pointing out the changing environment has led to changes in forecast by the best economists.

"It speaks to why we all came back into the market several times and we continue to change our outlooks," he said.

## Supply and Demand

There's a double whammy hitting the hotel industry right now—supply growth is at its peak while demand is at historic lows.

"There's a profound disconnect between the property cycle and the business cycle," Woodworth said. "As the economy contracts, openings accelerated. It will be 31 months before industry occupancy levels return, which is much longer than the last two downturns."

STR's projections supported that theory. For the third-quarter 2009, supply change is +3.0 percent, demand change is -4.5 percent, and subsequent occupancy change is -7.3 percent. But it isn't until the second quarter of 2010 that demand is forecasted to have slightly positive growth (+0.2 percent).

The demand horizon is much brighter, Woodworth said. In a forecast of the next five years of demand growth, the top markets (in 2010-2013) will be: San Antonio, Texas; San Diego, California; Austin, Texas; Charlotte, North Carolina; Minneapolis, Minnesota. San Antonio and Austin also led the U.S. demand growth in the period of 2004 to 2008. Woodworth attributed the strong demand to the consistency of the employment base and supply chain numbers.

"There's a lot of new product that has been added, and that's going to lead to good demand growth and revenue dollars going forward," he said.

Berman's forecast focused on the group business side of things. "Group behavior is the complete inverse of leisure—ADR decreases and modest occupancy decreases—with an occupancy freefall, while rate is relatively unchanged because business in the group segment is largely contractual," he said. "There have been a number of interesting studies and very negative headlines."

Several surveys indicate meeting planners and companies are cutting back. Here are examples of group business indicators that show demand isn't coming back soon:

- Nine of 10 planners said their meeting budgets were being cut because of general economic conditions. More than one-third said image/publicity/public policy considerations were a reason they expect to book fewer meetings in 2009 and 2010.

Continued on page 6

# Travel Intentions of Americans Improving, According to Latest *travelhorizons*<sup>TM</sup> Survey

The travel intentions of U.S. adults appear to be on the rise, according to the latest *travelhorizons*<sup>TM</sup> survey, the nationally representative survey that is co-authored quarterly by Ypartnership and the U.S. Travel Association. Almost two-thirds (63 percent) of U.S. adults expect to take at least one trip for leisure purposes between August 2009 and January 2010, up from 61 percent who expressed the same intention in July 2008. Assuming Americans act on their stated intention, this will translate into an estimated 142 million U.S. adults taking at least one overnight trip during the next six months.

“Americans’ continued strong interest in travel and positive perceptions of its affordability are positive signs for the industry,” said Roger Dow, president & CEO of the U.S. Travel Association. “The cost of travel remains at historic lows, giving consumers phenomenal options and the opportunity to stretch their dollars farther.” According to the national survey of 2,362 respondents conducted between July 21-28, 2009, the average number of overnight trips U.S. adults intend to take during the next six months increased to 2.8 from 2.6 in July 2008. Travelers remained concerned about having sufficient money for travel; however, the majority of adults who are planning to take a trip are adjusting to more limited leisure travel budgets by indicating that they expect to spend less on travel services compared to last year. They also intend to comparison shop for deals, especially online.

The July Traveler Sentiment Index<sup>TM</sup> (a derivative of six variables measured in the quarterly survey) also reflected consumers’ improved sentiment. After falling slightly between February and April 2009, the index rose to 92.1 (against a base of 100 in March 2007), and three points above the number recorded in April 2009 (89.1). All six of the index indicators displayed gains from the last calendar quarter with the exception of one: “money available for travel.”

“These results reaffirm our belief that downward pressure on the average household budget continues to present the biggest challenge for the industry, not interest in or the desire to travel,” said Peter C. Yesawich, chairman & CEO of Ypartnership. “And that’s precisely why value remains king for U.S. travelers.”

Source: U.S. Travel Association



## 2010 U.S. Federal Per Diem Rates General Unchanged

The U.S. General Services Administration (GSA) has announced the new Fiscal Year 2010 (FY2010) federal per diem rates, which will take effect on October 1, 2009, and run through September 30, 2010.

### Federal per diem rates for Sacramento:

- Lodging: \$109
- Meals & Incidental Expenses: \$61
- TOTAL: \$170

Some examples of lodging changes for this year include:

Phoenix/Scottsdale, Ariz., for the Maricopa County area mid-season: down \$120 from FY09’s \$122

Las Vegas, Nev., for the Clark County area low season: up \$109 from FY09’s \$105

Seattle, Wash., for the King County area: up \$159 from FY09’s \$158.

The nation’s economic downturn has affected per diem lodging rates in many localities, but overall the majority of locations did see an increase or no change in per diem lodging rates.

According to GSA, there will be a slight increase of 0.6% of the estimated lodging costs compared to FY2009. In contrast, the previous three years (FY2007-09) had an estimated average increase in lodging costs of 6.8%. In FY2010, there are about 400 areas that have per diem rates higher than the standard CONUS rate.

The complete FY2010 rates can be viewed on the Internet at the GSA’s per diem Web site: [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

## Events Calendar

- **Monday, September 21, 2009**  
**Sacramento Hospitality Classic Golf Tournament**  
WildHawk Golf Club  
7713 Vineyard Road, Sacramento
- **Saturday, October 3, 2009**  
**SHA “The Hospitality Industry Helping in the Community”**  
South Natomas Community Center and Park, 2921 Truxel Road, Sacramento
- **Friday, October 23, 2009 \*new date\***  
**SHA Luncheon Meeting**  
Holiday Inn Capitol Plaza
- **Friday, November 20, 2009**  
**SHA Luncheon Meeting**  
Hyatt Regency Sacramento
- **Tuesday, December 15, 2009**  
**SHA Holiday Reception • Toy Collection • Board Election**  
Sterling Hotel Sacramento

# GREENNews

## California Green Lodging Program Designations

The numbers are growing! The following SHA-member hotels have attained either Leadership Level or Participation Level designations in the California Green Lodging Program <http://www.travel.dgs.ca.gov/lodging/greenlodging.htm>, administered by the California Department of General Services.



### Leadership Level (two palm trees)

- Clarion Hotel Mansion Inn
- Sheraton Grand

This is the highest level of program participation. Leadership level hotels achieved a minimum field survey score of 300. They have a written environmental policy in place and meet all seven of the program's criteria: waste minimization, reuse/recycling, energy efficiency, conservation and management, waste management, freshwater resource management, hazardous materials management and environmentally and socially sensitive purchasing policies.



### Participation Level (one palm tree)

- Embassy Suites Hotel Sacramento
- Radisson Hotel Sacramento

This is the entry level for the program. Participation level hotels are building their environmental green lodging programs. They achieved a field survey score of 250 to 300, and they might not have a written environmental policy in place. Participation level hotels meet some of the seven program criteria, and have three years from their date of enrollment to demonstrate continuous improvement and elevate their rating to the Leadership Level.

In addition, the **Citizen Hotel** is in the process of certification. The hotel has submitted a hotel survey to apply for green lodging program consideration and is in the process of being certified.

The California Green Lodging Program was developed, in part, to help the hospitality industry minimize their waste, conserve energy and natural resources, and to provide the industry with practical, real-world suggestions for sustainability practices that will improve their bottom line. The Program also provides well-deserved recognition for those facilities doing their part to help to keep California green.

Steps in the process...Go on-line to <http://www.travel.dgs.ca.gov/lodging/greenlodging.htm> to apply for consideration for the California Green Lodging Program, fill out and return the Hotel Survey. Once your property's green team has completed the survey, DGS staff will contact you. The next step is to perform a Field Survey at your facility. Once the field survey is completed, program evaluation and scoring will be conducted.

**Suggestion:** Once certified by the California Green Lodging Program, include the program's logo in your email signature.



## Tough Times May be Turning Road Warriors into Eco-warriors

### The Element Eco-Travel Index

The faltering economy not the fragile environment is the biggest motivator for frequent travelers who have become "more conscious of waste" according to a survey commissioned by Element Hotels, which is launching

The Element Eco-Travel Index, an annual index of green travel habits among frequent travelers. Element is Starwood Hotels & Resorts Worldwide, Inc.'s newest lifestyle hotel brand.

According to The Element Eco-Travel Index, nearly 78 percent of respondents said they are paying more attention to wasteful habits like "leaving the lights on, leaving the TV on, [or] leaving the faucet running." But more than 41 percent say their vigilance about squandering resources is "due to the economy, while just 28 percent claim it's "due to the environment."

Eco-conscious habits slip during trips, The Element Eco-Travel Index also reveals. Though nearly half (46 percent) of frequent travelers say they "always" recycle glass and plastic at home, that number dips to 36 percent on the road. Conserving water matters at home—more than 34 percent say they limit shower time or lawn watering, but only 20 percent watch water consumption while traveling. Only about one-third of travelers surveyed consider themselves "outstanding" in their personal "green programs," with most feeling more like "green beginners."

### Travelers Want Green Choices

"Whether they're motivated by saving money or saving the planet, travelers clearly want the opportunity to follow green practices on the road," said Brian McGuinness, senior vice president of specialty select brands, Starwood Hotels & Resorts Worldwide, Inc.

Among other findings in The Element Eco-Travel Index, which polled 1,008 people who had stayed in a hotel at least three nights in the last twelve months and usually spend at least \$100 per night on a hotel room: More than 65 percent of respondents said they are more likely to change sheets and towels daily in a hotel versus in their home. Women tend to take "green habits" on the road more than men do. Men were more likely than women to change sheets and towels daily and leave the lights on while sleeping. At home, just less than 35 percent of travelers said they always conserve energy by lowering the thermostat, but just 25 percent say they do the same on the road.

*This survey was conducted by Cedarhurst-based STUDYLOGIC LLC via telephone.*

*Source: STUDYLOGIC LLC*

# 2009 North America Hotel Guest Satisfaction Study

Facing similar challenges to that of the domestic airline and auto industries—namely, rising costs and a lack of customers—the hotel industry has also been forced to slash operating costs and reduce staff in hopes of remaining competitive. But even though reduced demand has forced hotel properties to make sweeping changes, hotel guest satisfaction actually improved in 2009, according to a recent J.D. Power and Associates study. How have hoteliers accomplished this feat? By focusing on their customers.

“Many hotel brands have successfully focused on guest satisfaction, despite steep rate discounts, staff declines, reductions in in-room amenities and a halt on renovations,” said Michael Drago, director of the global hospitality and travel practice at J.D. Power and Associates. “These hoteliers know that providing extraordinary guest service in a consistent manner, in both good times and bad, is a recipe for continued success.”

The study reveals that, in spite of the economic challenges, four of the six hotel segments—upscale; mid-scale full service; mid-scale limited service; and economy/budget—have improved in satisfaction in 2009, compared with 2008. Guest satisfaction with luxury hotels has remained stable from 2008, while satisfaction with extended stay properties has decreased slightly. Across all segments, satisfaction with the reservations and check-in/check-out measures has improved, while satisfaction with guest rooms has declined.

To determine overall hotel guest satisfaction, seven key measures were examined within each segment:

- reservations, check-in/check-out, guest room, food and beverage, hotel services, hotel facilities, and costs/fees.

“Hotel guests want the comforts of home at a competitive rate,” said Drago. “They don’t want to incur fees for ‘extras’ such as parking or Internet access. Guests are much more satisfied when their total charge at check-out is in line with what they anticipated when they made their room reservation.”

According to the 2009 North America Hotel Guest Satisfaction Index Study, the following hotel brands rank highest in guest satisfaction within their respective segments:

- **Luxury:** Four Seasons Hotels and Resorts
- **Upscale:** Embassy Suites Hotels (for a third consecutive year)
- **Mid-Scale Full Service:** Hilton Garden Inn
- **Mid-Scale Limited Service:** Drury Inn & Suites (for a fourth consecutive year)
- **Economy/Budget:** Microtel Inns & Suites (for an eighth consecutive year)
- **Extended Stay:** Staybridge Suites

Other highlights from the 2009 North America Hotel Guest Satisfaction Index Study include:

Hotel guests in 2009 express increased desire for comfort and value-related amenities. For the first time since the inception of the study in 1997, bedding and pillow choices and free parking are among the top five “must-have” amenities for hotel guests. Other most-desired amenities include complimentary breakfast, wireless Internet access and pillow-top mattresses. Within the luxury segment, a high percentage of guests express the desire for in-room high-definition flat-panel TVs.

Guest awareness of property-initiated “green” programs has increased significantly in 2009, with 66 percent of guests stating that they were aware of their hotel’s conservation efforts, compared with 57 percent in 2008. Among these guests, 72 percent say they participated in their hotel’s conservation programs.

Awareness of “green” programs has a strong impact on overall hotel guest satisfaction. On average, satisfaction is more than 160 points higher among guests who report being aware of their hotel’s green programs, compared with guests who are unaware of them.

The proportion of hotel guests making reservations online has decreased slightly in 2009, to 54 percent from 57 percent in 2008.

Hotel companies that maintain brand standards consistently across their portfolio of properties have the ability to substantially increase their satisfaction and loyalty levels.

## About the Study

The 2009 North America Hotel Guest Satisfaction Index Study is based on responses gathered between June 2008 and June 2009 from more than 66,000 guests who stayed in a hotel between May 2008 and June 2009.

Source: J.D. Power and Associates

## People News

**Tom Mamalis** is the new general manager at the **Sacramento Marriott Rancho Cordova**. He replaces Glenn Simon who relocated to the Hilton San Francisco Airport.

**Brian Taormino** has been named hotel manager at the **Larkspur Landing Hotel Sacramento**. He most recently served as the opening director of hotel operations at The Citizen Hotel. Taormino’s previous experience includes several years in operations and revenue management at the Stanford Hotels Corporation-owned and managed Hilton Hotel in Santa Clara. He began his career with Interstate Hotels and Resorts serving at Sheraton-branded properties in both San Jose and Sunnyvale.

The Sacramento Chapter of SGMP (Society of Government Meeting Planners) has named its 2009 Supplier of the Year: **Betsy Kennedy**, convention sales manager at the Sacramento CVB. Kennedy has been active in SGMP since 2005 and this past year she volunteered to serve on the Silent Auction and Elections Committees. This year’s auction netted nearly \$12,000—far exceeding past years’ events. She also coordinated the 2009 SGMP elections process. Kennedy has been with the Sacramento CVB since 2007 managing California State Government, SMERF, western regional associations and western corporations.



# Cornell Study Finds that Lower Hotel Prices Cost Hotels Money in Good Times and Bad

When close competitors cut their prices, the temptation for hotel operators is to follow with reductions of their own. While that strategy may increase occupancy, it reduces revenue per available room (RevPAR), when compared to a hotel's competitive group. This is the key finding of a new study from Cornell's Center for Hospitality Research, "Competitive Pricing in Uncertain Times," by Cathy A. Enz, Linda Canina, and Mark Lomanno. The study is available at no charge from the center at <http://www.hotelschool.cornell.edu/research/chr/pubs/reports/2009.html>.

"Our goal was to compare the effects of pricing strategies among close competitors, first during a weak economy and then during boom times," said Enz, who is the Louis G. Schaeenman, Jr. Professor of Innovation and Dynamic Management at the School of Hotel Administration. "Using the database provided by STR, we were able to analyze relative pricing, occupancy, and RevPAR in over 67,000 hotel observations, from 2001 through 2007."

"Our findings were consistent, despite the economic situation," explained Canina, an associate professor at Cornell. "Hotels that maintained average daily rates above those of their direct competitors experienced lower occupancies compared to those other hotels, but they recorded higher relative RevPARs. This was true in all market segments."

Added Lomanno, who is president of STR: "Our overall results suggest that the best way to have better revenue performance than your competitors is to maintain higher average rates." Lomanno pointed out that the researchers were careful to analyze only comparable hotels in each competitive group. Most hotels that charged relatively lower rates than their competitors had relatively higher occupancy, but that did not mean stronger RevPARs.

*Source: The Center for Hospitality Research*

*A unit of the Cornell School of Hotel Administration, The Center for Hospitality Research (CHR) sponsors research designed to improve practices in the hospitality industry. Under the lead of the center's 77 corporate affiliates, experienced scholars work closely with business executives to discover new insights into strategic, managerial and operating practices. The Center also publishes the award-winning hospitality journal, the Cornell Hospitality Quarterly. To learn more about the Center and its projects, visit [www.chr.cornell.edu](http://www.chr.cornell.edu).*

# New National Travel MONITOR<sup>SM</sup> Survey Reveals Shifting Accommodation Preferences

The current economic environment is apparently influencing consumers' interest in certain types of lodging accommodations as revealed in the July-released Ypartnership/Yankelovich 2009 National Travel MONITOR<sup>SM</sup>. Compared to last year, preference for independently operated hotels and resorts is up, while preference for chain affiliated properties is declining. Leisure travelers are also more likely to cite "value for the price" as a key consideration when selecting lodging accommodations.

Although preference for independent lodging is growing (now cited by 20% of all leisure travelers), it is still important to note that eight out of 10 leisure travelers prefer chain-affiliated accommodations. This preference has declined significantly from the level recorded last year (84%), however. Also, compared to last year, leisure travelers are more likely to prefer a limited service hotel or motel without a restaurant (40% versus 34%), and less likely to prefer one that offers full service with a restaurant (60% versus 66%).

The top three factors leisure travelers consider when selecting lodging accommodations are "value for the price," the "location of the property," and the "room rate." While location and room rate were cited by essentially the same percentage of respondents in both 2008 to 2009, "value for the price" increased significantly from 82 percent to 88 percent (82% to 88%). Another apparent contributor to the perception of good value, a complimentary breakfast included with the room rate, jumped from 51 percent to 58 percent (51% to 58%).

For further information on the results of the Ypartnership/Yankelovich 2009 National Leisure Travel MONITOR<sup>SM</sup>, please visit the Publications section of [www.ypartnership.com](http://www.ypartnership.com).

*Source: Ypartnership is a worldwide advertising and public relations agency that specializes in serving travel, leisure and entertainment-industry clients and is co-author of the widely acclaimed National Travel MONITOR<sup>SM</sup> with Yankelovich, Inc.*

## Metro Fire CERT

*Continued from page 1*

Metro Fire CERT believes this training was a good start and might have the potential to help build a collaborative partnership within the hospitality industry here in Sacramento—a key component in everyone's best interests. As we all know, heightened awareness and preparedness along with mitigating issues when possible is incredibly important to the survivability of each individual lodging property and will significantly impact the bottom line—as well as very possibly help in saving the lives of guests and staff.

The SHA Board of Directors and Metro Fire CERT are discussing the possibility of offering semi-annual, half-day events hosted at different property locations each time to offer participants an opportunity to learn and experience safety and preparedness guidelines for a wide range of property types.

Thanks to Betty Taylor for providing information for this article.

## Hotel Data

*Continued from page 2*

- Planners said the media environment is likely to have the greatest effect on clients' decisions to host meetings in luxury hotels and resorts in resort destinations and on the activities/amenities available to attendees of off-site meetings.
- Corporate travel executives are targeting internal meetings for cuts, which can be as much as 40 percent of their travel budgets. "Many corporations have targeted this path to cost reduction," Berman said.

Of this corporate travel group, 83 percent have focused on hotels as the most likely source of savings.

*Source: Hotel News Now [www.hotelnewsnow.com](http://www.hotelnewsnow.com)*



SACRAMENTO HOTEL ASSOCIATION

# 3rd Annual Community Service Day

*The Hospitality Industry Helping in the Community*

**SATURDAY, OCTOBER 3, 2009**

The Sacramento Hotel Association and the City of Sacramento, along with the South Natomas Community Center, invite you and your colleagues to volunteer for SHA's third annual community service event.

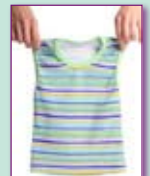
**Revitalization of Community Park and Neighborhood Center**  
Spend the morning giving back to our community... volunteers are needed for a variety of outdoor and indoor tasks for this service project... landscape clean-up, gardening, community center cleaning, painting, sorting and assembling of donated clothes and more.

Rally your hotel or company team together for the October 3 event. Be one of the individuals taking action to tackle critical community needs. After the work, we'll have time to celebrate the support provided to the community—breakfast and lunch provided by sponsoring hotels.

*Other ways to participate in the community service project...*

The Sacramento Hotel Association also invites you to participate as we collect items for donation to families in the South Natomas community.

You are invited to **donate** the following items. Contact your HR Director or Team Leader for collection information at your hotel or company.



- used and new books for children and adults—*especially children's books*
- gently used clothing for children and adults—*from play clothes to business suits*

These donations will be sorted and assembled at the South Natomas Community Center by SHA-volunteer teams during the October 3 community service day.

**Note: All volunteers** must be at least 12 years\* of age. All volunteers are required to **sign a release waiver** on October 3 before beginning project tasks. *\*Volunteers between the ages of 12 and 17 years of age must have a parent or legal guardian accompany and participate with the minor in the volunteer project. Note: Not all tasks are available to volunteers who are 12 to 17 years of age.*

**Before September 10:**

**Volunteers from hotels:**

Contact your HR department or General Manager for volunteer forms.

**Volunteers from vendor companies:**

Contact your designated representative to SHA for volunteer forms.



**Questions:** Contact SHA staff at (916) 441-6110 or at [info@sacramentohotelassociation.com](mailto:info@sacramentohotelassociation.com).

**Location/Assemble Teams**

South Natomas Community Center  
2921 Truxel Road, Sacramento

**Schedule—Saturday, October 3, 2009**

Morning	Carpool to South Natomas Community Center
7:00am – 8:00am	Grab & Go Breakfast/ Registration/T-shirt Pick-up
8:00am – 8:30am	Project Overview/ Team Assembly
8:30am – 12:30pm	Community Service Project Tasks
12:30pm – 1:30pm	Picnic Lunch/ Awards/Thanks

Sacramento Hotel Association



**Yellow Cab Co.**

T-shirts sponsored by  
Yellow Cab Co. of Sacramento.

# Ten Hotel Booking Trends

By Patrick Mayock, Associate News Editor, Hotel News Now

After an opening day chock full of data analysis, attendees of the inaugural August 4-5 Hotel Data Conference in Nashville began day two peering through the looking glass to gain a new perspective on the industry and the market trends affecting it.

The most controversial of those viewpoints during the general session came from Brian Ferguson, VP of lodging demand and analysis for Expedia. As a representative of a third-party reservations Web site—which many hoteliers criticize for contributing to rate erosion and an alleged commoditization of the industry during the downturn—Ferguson was asked bluntly whether Expedia and other online travel agents are a friend or a foe of the hotel industry.

“In terms of friend or foe...What people are trying to get at is that seeing all of these rates together and having consumers go through and choose the cheapest three-star in the neighborhood is what’s really driving down rate,” he said. “I don’t really see that as an Expedia issue. I see that as a reality of where we are today. That’s the Internet.”

And while he admitted that consumers do use Expedia simply to choose the cheapest rate regardless of brand, he also said, “There are no rates that are on our site that aren’t given to us by hoteliers. We don’t set the rates.”

Ferguson later said the increased swings in market share that Expedia and some other OTAs generate during downturns are offset by declines in average daily rate. Yes, third-party reservation sites might have higher volume at present, but they also make less per transaction. When the market picks back up again and rates increase, so will margins on each transaction. Therefore, Expedia is not rooting for the industry to remain stumbling along the bottom.

## 10 Hotel Booking Trends

Before he was asked about being a friend or foe, Ferguson shared 10 hotel trends using data generated from hotel bookings on Expedia.

1. Exchange rates are shifting travel patterns. “There are a lot more Americans traveling to the U.K. despite the economy. That’s simply because it has gotten so much cheaper,” he said. “It’s 35-percent cheaper just because of the exchange rate. Add to that the discounts U.K. hotels are giving, and it’s become a bargain.”
2. Consumers are looking for a deal. Year-over-year share of bookings with promotions has increased and will continue to do so throughout the third-quarter of 2009.
3. Promotions matter more than ever. Year-over-year percent change on rooms booked with major promotions has increased in 2009. There were 68 percent more travelers who booked their stays during a 4th of July promotion this year than last year, for example.
4. Promotions are getting more creative. “Before, it used to be all about cutting rates on the sites,” Ferguson said. Now, hotel companies are offering free nights, value-add packages and other incentives to drive demand.
5. Customers who book online are trading up. “Customers are finding that the four- and five-star hotels are getting more affordable.”
6. There are massive swings in online market share. In Nashville, Tennessee, for example, the most booked hotel during second-quarter 2009 jumped 13 spots before landing in that position and increased year-over-year room nights by 413 percent. However, its year-over-year ADR declined by 34 percent.
7. Booking window compression. Travelers are waiting longer than ever before to book their stays.
8. Leisure rates are leading the way. “Leisure rates went down first and are going down more,” Ferguson said.
9. Hotels are using the package channel to fence rates. Examples of this semi-transparent technique including bundling a hotel stay with airfare or a stay with a car rental.
10. Opaque channels are growing faster than non-opaque channels.

Source: Hotel News Now [www.hotelnewsnow.com](http://www.hotelnewsnow.com)

## Welcome New Member

### Best Western MedPark Inn

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*The Best Western MedPark Inn & Suites is a new 32-room boutique-style hotel in midtown Sacramento. The property is located across from the UC Davis Medical Center and Shriners Hospital.*



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