



# Envisioning the Future

## Expectations for Hospitality Sales and Marketing in Five to Ten years

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In the fall of 2004, HSMAI invited senior-level hospitality executives to participate in focus groups in order to examine the industry and the sales and marketing profession today and in the future. A total of 44 industry leaders attended the five-hour sessions in Chicago, New York, and Los Angeles. The goals of the focus groups were to engage in a free flowing dialogue to analyze the industry's current situation, explore the changing needs of the profession in the next five years, and imagine the guest experience in 2015. This excerpt from a study reporting the focus groups' findings details the skills and knowledge directors of sales and directors of marketing must demonstrate in the future as well as what will be available for hotel guests in the coming decade.\*

**T**he mid-nineties ushered in fundamental and dramatic change in the hotel industry that continues to resonate a decade later. The hospitality business, traditionally defined by service, independent ownership, European management, and the "all business is good business" school of thought has evolved into the business of hospitality, characterized by public ownership of multi-branded companies, short-term profit orientation, the rise of revenue management, and the exploitation of the Internet as a powerful distribution channel.

In the midst of the transformation, a subtle shift of senior positions has occurred. The roles of directors of sales (DOS) and directors of marketing (DOM) have been altered, requiring a complex blend of skill and experience that barely resembles the gregarious and well-connected personality of the past. Beginning with this profile, the focus group participants engaged in a broad-

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ranging discussion of specific aspects and responsibilities of future directors of sales and directors of marketing.

## DOS Skills and Knowledge

Overall, participants in the three focus groups characterized the DOS position as having a micro orientation. A successful DOS must be able to formulate a clear vision of goals and objectives that will support the overall strategy of the hotel. This requires a high level of maturity, patience, and enthusiasm for learning; without these qualities the DOS will not succeed in the long run regardless of his or her other strengths.

An area that has long resisted change, allowing great salespeople to be just that, surfaced as a common point of discussion. Promoting star salespeople is a deeply embedded norm in the hospitality industry, partially because there is an artificial earnings cap that dictates that sales associates cannot earn more than a general manager, and because of the deep-seated notion that a great salesperson must aspire to become a DOS. Neither assumption even remotely fits in this era. It has been proven time and again that star salespeople do not automatically make star directors of sales, as the required skill sets are far different. The industry needs to foster a new mindset that values star performers, allowing them to continue gaining credibility, salary, and success without changing responsibilities. This adjustment will require an industry-wide acknowledgement that a stable sales force is a crucial component for success.

The skills and knowledge areas highlighted by participants included:

### SKILLS

**Manager and trainer.** There are two components to this ability: first and foremost, being a DOS is about managing sales personnel and all that it entails. As a manager, the DOS must understand how to motivate individuals and teach them how to cope with and learn from failure. Building a culture that uses failure as opportunity will ultimately create sales personnel who are hunters rather than farmers. The DOS, as a manager, must understand the planning and research process and display resilience based on an understanding of business trends especially in a down cycle. The DOS must be

capable of identifying the best salespeople and successfully hiring them. As well, the DOS must be a skillful trainer, as it is fundamental to the creation of a loyal team that will want to consistently meet and achieve goals. This requires a change in the hiring process so recruiting becomes a proactive rather than reactive action, which will result in better hires. Too often hires fill an immediate concern, which often leads to employing a lesser talent resulting in a bad fit. Planning and advanced preparation will translate into an awareness of the talent in the marketplace.

**Change manager.** There are two distinct components to this skill area. First, change must be managed, meaning the DOS must take a proactive approach rather than reac-

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tive response. This skill requires that the DOS has a broad perspective and awareness of economic, social-cultural, political, and geographic issues. Perhaps it is the very idea that change can be managed much less expected at the individual property level and by someone other than the general manager that provides the greatest insight into how much the hotel business has changed in the past decade. The second ingredient, measuring the quantity, quality, and mix of business in the pipeline is a crucial aspect of managing change. In light of increased competition, social and economic realities, and consumer trends, the DOS is responsible for the continued growth of business with an appropriate

price-value-profit proposition.

**Consensus builder.** Often there is unneeded friction between the operational side of the house and the sales staff. Internal relationship-building is a vital element of a successful sales effort. The days of viewing adversity between operations and sales as an accepted or promoted reality must be relegated to the past. The DOS must work with operational managers to create a greater understanding of the sales function and work with the sales team to increase their awareness of the importance of interconnectedness between departments as a vital component of a flourishing enterprise. The building of strong internal relationships takes time and effort, but will strengthen the sales strategy as operational staff support the sales effort and understand that their roles are vital to the job of selling.

**Renaissance manager.** A DOS must be a coach, teacher, and psychologist. The art of prioritizing (especially time management), delegating, multitasking, and managing the process is perhaps the most basic set of organizational skills that should be required of all directors of sales.

**Superb communicator.** The broad range of communication skills (verbal, written, listening, and observation) is essential to succeeding as a DOS. Traditionally, the verbal acumen of salespeople has been the most highly regarded skill; the ability to weave a convincing pitch. Today, the increased sophistication of the product itself, the consumer, and the competition means that a DOS must be a complete communicator with the ability to write in a clear and concise manner, as email communication has replaced numerous telephone conversations. The very nature of the pitch has changed as well, as customers expect a more multifaceted, technologically advanced proposal considering the entirety of their needs and experiences. Listening is often the most disregarded of skills, yet for most employees and customers, it creates an atmosphere of trust. Listeners sell solutions while talkers sell products. Listening builds relationships and engenders an understanding of needs, allowing sales personnel to propose a value proposition framework that supports the brand strategy as well as the customer's needs. Communication with



clients should be made through their individual preferences, not what is the most comfortable for the sales team. Channels of communication should reflect modern conveyances rather than outmoded methods that diminish effectiveness.

## KNOWLEDGE

**Budget strategist.** The sales component is now inexorably linked to revenue, profitability, and cost. The DOS must have a clear understanding of resource planning and allocation so that teams are effectively and efficiently organized and deployed. The business of hospitality is fully engaged in the practice of revenue and cost management, which should not be viewed as ancillary to the sales process but as the rightful evolution of the sales component.

**Revenue management.** Analytical skills are critical components of the DOS' toolbox. The DOS must have a comprehensive understanding of the distribution channels, the mix of reservation channels, and selling strategies to meet the needs of the organization. The most fundamental skill set is the ability to measure the value of a booking in terms of the business value proposition. In the past, all business was considered to have value. Now the sales team effort must be focused on securing revenue that "fits" within the goals of the business, adds value on a short- and long-term basis, and does not diminish the strategic positioning of the business. It is not just the DOS that must be well versed in the revenue goals of the property. Individual sales personnel must have a clear understanding of return on investment, mix, and performance expectations in order to make qualified decisions.

In addition to the essential list of skills and knowledge areas discussed above, the groups identified a number of less significant but vital qualities for a DOS:

- Capable of managing a multigenerational workforce
- Broad understanding of markets (group, leisure, and business), competition, and the destination (community), and a sales strategy that addresses market needs and expectations.
- Knowledge of the marketing discipline so it can be incorporated into the sales approach. To increase business from an individual account or from an entire business segment, the DOS must have a comprehensive understanding of the principles of marketing.

## DOM Skills and Knowledge Areas

There was universal agreement among the focus groups that the DOM of the future must be a highly talented, broadly skilled and knowledgeable individual capable of functioning at the macro level. The constant throughout the discussion was an acknowledgement that advances in technology and the business process would, over the next five years, greatly alter the position. The participants also considered that, by 2015, circumstances could be such that the position would be no longer necessary. In light of the larger uncertainty, the participants concentrated on the near-term rather than delving into vast suppositions of a long-term nature.

Among the seemingly endless list of expectations for the qualities of a future

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DOM were knowledge of channel and rate positioning, extensive analytical abilities, political acumen, as well as being a risk-taker, and an influencer. The primary characteristics for the DOM of the future were identified as follows:

## SKILLS

**Dual focus—Internal.** The DOM must be the brand champion of the organization. Internally this is defined as the responsibility for managing and focusing the brand message as an integrated component of the service experience. All personnel, front and back of house, must be thoroughly and completely schooled in the goals and objectives of the brand. One example given by participants demonstrates brand interconnectivity based on customer touch points: the marketing department creates a direct mail piece proclaiming the outstanding customer service at the hotel, which is sent to a group of past clients who have indicated that the brand standard of service is a critical element for continued loyalty. The targeted reminder is meant to stimulate memories

and, when successful, will result in the customer's contact with the hotel through an email or phone call. The resultant response (friendly, timely reply to the email; friendly greeting and service by reservations staff versus unresponsive, rude, or disinterested service) will determine if the customer continues the relationship. It falls to the DOM to articulate the brand's value proposition to all personnel within the hotel in a fashion that enforces understanding of their individual role in the brand process. Integrating brand strategy into the service and hospitality elements of the hotel, as well as into the revenue and cost goals, depends on the DOM's ability to translate a strategic goal into operational tactics. This is a vital role for the DOM that is often unrecognized or disregarded, leading to the separation between the brand and the property.

**Dual focus—External.** As the external brand manager, the DOM is the chief exponent of the benefits and services of the brand, which represents the hotel's culture to the customer. The brand strategy success extends from a far-ranging understanding of the needs and expectations of the customer. The DOM must know why and how a strategy is successful or not (strategist), confidently maintain or alter course (adaptability), and translate the vision of the brand into reality for the marketplace (forward thinking).

**Balancing the owner-brand relationship.** The absentee owner of the 80's has transformed into a constant and active presence in the business of the hotel that must be managed at the property level. The responsibility for educating and informing the activist owner is often the responsibility of the DOM.

**Superb communication skills.** Like the DOS, all aspects of communication (verbal, written, listening, observation, and presentation) must be fully formed in order to effectively perform the job. The most constant task for the DOM is the formulation and presentation of ideas and strategies. Persuading people to adopt a vision and to buy-in to a comprehensive marketing strategy requires far more than a winning personality.

**Innovation and creativity.** For a DOM to be an innovator demands a personality that will take risks and when necessary propose something new. Brand care entails far more than keeping pace and protecting market share; it demands that the product, the service, and the experience be compelling. The



DOM who can accomplish this has the ability to envision change, to craft solutions, and to give meaning to the intangible.

## KNOWLEDGE

**ROI Analyst.** For a DOM, the primary goal is profitability. This requires a comprehensive knowledge of financial and budgetary information, including demand analysis, marketing programs return on investment, cost analysis, and modeling.

**Technological efficiency.** Distribution channels have multiplied and grown in complexity making it necessary for the DOM to have a sophistication base of understanding to create a strategy that fully markets the brand. Seemingly overnight, the DOM must be experienced in a variety of technologies that encompasses hardware, software, and not-yet-developed-ware. The base expectation today is that the DOM will have a range of understanding from awareness to mastery, depending on the technology. By the end of

the decade technological knowledge will be a standard competency.

**Working knowledge of the sales discipline.** The interrelationship of sales and marketing should be foremost in the mind of the DOMs as they create their marketing strategy. Effectiveness of an advertising campaign, a public relations effort, or a specialized promotion depends upon the sales team's understanding of the connection between the strategy and the team's ability to close a deal. There are multiple benefits gained when the DOM periodically goes on a sales call or works a trade show. First and foremost it will resonate with the sales staff as they sell the brand message. Secondly, it will reinforce the interconnectedness of the two areas, diminishing the sense of competition that can exist between sales and marketing.

**Awareness of the changing realities of competition.** The competitive environment has expanded and not only includes hotels in

the competitive set, but is likely to include destinations thousands of miles away. As well, awareness that non-traditional competition, including technology innovation such as web seminars (WebEx and LiveMeeting), as it proliferates, will impact the meetings market and create different buying patterns. Finally, the DOM must understand that competition for discretionary dollars and time goes far beyond the tourism industry. Just one example is the concept developed by the author entitled "Destination Home," that is experienced when a consumer chooses to buy a new car or boat rather than going on a trip.

There was universal agreement that common skills and knowledge sets for the DOS and DOM included extensive understanding of market segments; comprehension of the Internet as a channel of distribution; ability to manipulate databases to produce quality information; thorough understanding of CRM systems (high and low tech based).

There was no definitive conclusion among any of the groups as to whether one position should report to the other and whether one or both positions would still exist in 2015. However, the groups did agree that both positions were at a crossroads; but whether that would lead to further separation or blending was not determined. Given the responsibilities of the position, it may be time for the industry to consider a change in title to Director of Brand Strategy (DBS). While seldom considered, directors of marketing who advance are at their very core strategic thinkers, ahead of the curve rather than reacting to circumstances, with an uncanny ability to recognize a fad versus a trend. A strategic DOM will build non-traditional alliances that expand the reach of the brand, display measured daring and reality-based creativity, understand the buying process from preference to purchase, and leverage business intelligence by data mining customer information relative to trends and the strength of the brand.

### Envisioning the guest experience in 2015

The focus groups were asked to develop an overall picture of the guest or visitor experience in 2015. They were instructed to imagine what destinations and products will be offered in terms of technology, design, amenities, and service to the guest or visitor ten years into the future. After identifying the specifics of a 2015 experience, the next step was to discuss the implications of the changes.

### HOTELS

- *Dream hotels built for particular communities of people, lifestyles, or interests.* These hotels create an interactive, personal entertainment experience. Consider a baseball fantasy hotel complete with a "Field of Dreams," batting cages, team uniforms, and practice with actual coaches and ex-players. For those who aspire to a professional baseball experience, this hotel will fulfill the dream in comfort! The hotel, located in an interesting destination, will offer an inclusive experience that will attract people who have a passion for living their dreams.
- *The end of standardized check-in and check-out.* Instead rental periods will vary according to the needs of the guest, accompanied by a pay-for-use policy. If the guest only needs a room and no amenities or services, the rate will be less; the stay that requires

more will be offered at a higher price.

- *Health Hotels.* The future returns to the past. Many resorts were originally developed around mineral springs that offered visitors a cure; the health spa of a century ago will be reinvented as health hotels. As medical technology advances and an aging population seeks "a cure," the hotel industry will move beyond offering a spa as an amenity and instead offer it as a life-changing destination. In addition to the usual spa offerings, the menu will include opportunities to select non-invasive surgery procedures that require short healing periods. Options could include mini-face lifts, body tucks, hair transplants, teeth whitening, laser eye surgery, and makeovers. Health hotels will be the solution for busy individuals who will be able

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to improve the body, mind, and spirit in a leisure environment. Take it one step further and imagine in-flight mini-lifts rather than a movie.

- *Home Hotels.* Hotels were once the nation's show rooms of the future featuring the latest advances available, such as elevators, box springs, electricity, in-door plumbing, air-conditioning, and televisions. Today, people do not wait for hotels to show them the way, instead homes are at the forefront as consumers are doing it themselves, installing the latest products and design innovations that make homes personal showcases. In the next few years, it may be that hotels begin to mimic the features standard in homes to provide a point of differentiation. The development of a chain featuring the character and flavor of an upscale home, similar to the Starbucks living room coffeehouse, would be an escape from the sterile and standardized look that currently dominates many brands.
- *Customized hotel room experiences.* When mak-

ing a reservation, the guest will order a room based on interests or fantasies. The walls will be electronic modules allowing the guest to select the color, artwork, and lighting. Personal adjustments will be made instantly in the décor. Perhaps even the mattress could adapt to any request—firmness or type (water, air). Prior to check-in, the temperature and lighting would be adjusted and information would be programmed into the guest's room, such as the TV with TIVO holding favorite recorded shows.

- *The ultimate advance would be traveling without luggage.* This builds upon what is currently offered by cruise ships that have formal wear waiting for guests upon check-in. In this version an entire wardrobe would be waiting in the room. The guest would order online from different designers who have partnered with the hospitality business to make their collections available, allowing the guest the opportunity to "test" a new label or style. This innovation could extend to sports equipment as a guest would be able to "test drive" golf clubs or tennis rackets with the option to buy at the end of the vacation.
- *A retro-chill sanctuary.* This concept allows guests to disconnect from the world, offering an escape from the 24-7 wired reality. The resort would jam cell phones and be advertised as a computer-free zone by replacing high-tech with high-touch. This would be a return to an era when a vacation meant leaving work behind and recharging. The trend could be described as the luxury to disconnect.
- *Limited service hotels will be converted to seasonal living centers* as Baby Boomers enter a new life stage traditionally marked by retirement. Boomers looking to downsize their living arrangements with less responsibility for upkeep and more opportunity to follow the seasons will settle in for four to six months before following the sun to the next center.
- *Today the trend is the death of the armoire* as thin screen TV's become standard and in ten years it could be the death of the bath tub as showers expand into immersion chambers.

### DESTINATIONS

- *The all-inclusive experience will expand* to feature city or destination-wide inclusive vacations. Travelers select an all-inclusive





Bahamas vacation for \$5,000 that allows them to select from 60 restaurants, 75 attractions, and various forms of lodging and transportation without ever spending another dollar. The cost of the entire vacation is known providing a level of comfort, while the vast offerings of the destination are available to enjoy.

- *Tourism businesses will become facilitators* replacing much of today's DIY (do-it-yourself) trend. Currently, the consumer is responsible for or actively involved in every business aspect of a trip, from researching to ordering to fulfillment. In the future, utilizing interactive databases that incorporate past history (details of actual trips and cancellations) information far beyond suggestions will be provided to the consumer.

Today, a sneak preview is in use at Pizza Hut where caller ID is employed to speed up phone orders. Pizza Hut does all the work once the customer has made a call. Using caller ID, the customer's phone number triggers a profile including last order and address. All the caller does is say, "Yes, that's what I want".

## TECHNOLOGY

- *A mobile travel concierge* at the touch of a button will be the travel manager of the future. The personal electronic agent will provide advice and planning for every phase of the trip, including suggesting last minute changes, keeping track of trip details, including weather and traffic, and reminding the traveler to pack sunscreen. The technology advances will enable integration with the systems of the hotel, the airline and the destination to make the trip easier and the vacation more enjoyable.

- *The Jetsons meet Westworld.* Within ten years, technology will be capable of creating the ultimate in escapism by mimicking the holodeck replicators used in the TV series, *Star Trek*. A form of virtual reality, holodeck technology will allow guests to select programs that replicate an environment of their choosing

- *Pre-arrival virtual reality experiences* will allow guests to experience a hotel or destination before they arrive by providing them with an opportunity to become familiar with the environment, adding to their comfort level upon arrival so they are able to fully enjoy their surroundings and not waste time getting acclimated. Consider it an extreme site visit—it does not replace the experience but

orientates consumers so they can make the most of the stay.

- *All business aspects of a hotel stay will be entirely computerized* or technologically enhanced from fingerprint or iris-scan check-in to ordering the next generation X-rated movie, featuring a virtual companion.

- *Wearable technology* used to advance the concept of high-touch. All employees will be equipped with a face recognition system built into eyeglasses or clothing. When a guest approaches, the employee is shown the person's name and information from his/her profile.

- *GPS connectivity.* Currently GPS is being used on a limited basis by resorts to allow parents to know where their children are. As the technology expands, it will become com-

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monplace for ships, resorts, and destinations to offer a device so guests can track the progress of a golf game or museum visit. This idea is directly related to the consumer's heightened desire to stay connected and to lessen any feelings of insecurity.

## MISCELLANEOUS

- *Affordable jet taxis.* While private jets and fractional ownership plans serve the wealthy today, a new generation of affordable jets will allow the aspiring affluent (\$35,000 to \$74,000 household income) to fly in style at a reasonable price when traveling on business or leisure.

- *Bi-furcated frequency pricing* will become a standard by 2010. Advancing technology will enable any tourism business to accurately and thoroughly track and forecast the lifetime value of a customer and use the information to produce rate and amenity offerings.

- *Key-based vacation ownership.* Rather than purchasing a unit, consumers can purchase

a key and use it at a variety of locations during the year.

- *The speed of light?* Perhaps the most fanciful or most hopeful idea is a forecast for supersonic transportation that would enable consumers in Beijing to go to Paris for dinner. Any airline warrior knows today's travel is not easier, quicker, or fun and so it is difficult to imagine that future aviation technology could make this dream a reality. Currently business planes are in development that have supersonic capability allowing corporate travelers to go from Los Angeles to New York City in two and half hours.

## CONCLUSION

The past often dominates a discussion about the future, as the desire to maintain what we know is often the most comfortable path. But it is when looking to the future, even in the short-term, that a profession has an opportunity to explore and consider what is needed regardless of what tradition expects. This research allowed members of a profession an opportunity to examine positive attributes and address problematic issues in an effort to strengthen not only their profession but the entire industry.

The discussions of the participants involved in the focus groups provided additional insight into consumer behavior and patterns, the adjustments occurring in the sales and marketing profession, the changes within the industry, and the possibilities that will mark the guest experience over the next ten years. The thread that connected the discussions of the various groups was the constant change occurring in society and throughout the industry. At the foundation of the change within the industry is the fact that all actions and individuals are now measured on overall return on investment (ROI). As a result, the marketing and sales aspects of every organization are being transformed in an ever-expanding and particular fashion. The DOS and DOM responsibilities have expanded, requiring greater management and business skills. The ability to alter course, to make timely decisions, to measure cost and return are now typical of the expectations of a successful director of sales and marketing. The goal of the focus groups was to offer progressive ideas, to ensure the profession maintains pace in the midst of change, and to bring greater clarity to the roles of the sales and marketing professional in the ever-expanding hospitality industry. ■

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