

Hotel Room Sales Strategies in the New Normal: Basis for Sustainable Operation

Imeer Jeaisa L. Mauricio¹, Anastacia S. Mendoza², Xena Rose M. Muyot³, Ara Venise C. Ocampo⁴, Marilou P. Pascual⁵

¹Faculty Instructor, College of Management and Accountancy, PHINMA-Araullo University

²Assistant Creative Lead, Brain Juice Collective, Singapore

³HR Development Analyst (Payroll), Nueva Ecija II Electric Cooperative, Inc. (NEECO II – Area 2)

⁴Faculty Instructor, Hospitality and Tourism Management Coordinator, College for Research and Technology

⁵Graduate School Faculty, Business Administration, NEUST

Received: 16 May 2023; Received in revised form: 13 Jun 2023; Accepted: 19 Jun 2023; Available online: 27 Jun 2023

Abstract— *The Hospitality industry is one of the largest and fastest-growing industries in the world. As the pandemic hits, many areas of the hospitality industry have been greatly affected. One of the major establishments that struggled is the hotels. This research study titled “Hotel Room Sales Strategies in the New Normal: Basis for Sustainable Operation”, aimed to identify the strategies of the hotels in terms of selling their hotel rooms in the new normal. Throughout the challenges, hotels created a way to remain on track and resume their operation. This research revealed that hotels in Cabanatuan City mostly utilized hotel group sales strategy, destination marketing sales strategy and guest reward sales strategy to increase hotel room sales as their basis for sustainable operation.*

Keywords— *Hotel, hotel rooms, new normal, sales strategies, sustainable operation.*

I. INTRODUCTION

The hospitality Industry is a broad sector of the economy that is service oriented which comprises accommodation, food and beverage services, and other guest-related services. In the midst of the pandemic, such businesses struggled and were greatly affected. The global pandemic has affected many businesses that operate on a daily basis. Hotels are one of the businesses that have been greatly affected by the pandemic; most hotels temporarily stop their operation to pave the way to the regulations imposed by the government thereby affecting the room sales of the establishment, their guests and the welfare of its employees. As years went by, the Philippines slowly opened several industries to operate and help the economy, most hotels managed to adhere to the requirements, for them to be accredited by the Department of Tourism and then later on gained a license to resume operation.

As the hotel industry tries to recover, it is important for these hotels to plan and create sales strategies to cope with

the situation, especially in the new normal. As hotel rooms are the main product of the hotel, the sales department thinks of many ways to develop strategies to further boost the profitability of the hotel.

From a hotel perspective, Marketing and sales are important areas within the hospitality industry as they directly correlate to the profitability of a business. The Marketing and Sales team is responsible for maximizing a hotel's revenue by developing strategies and business plans to increase revenue. (Sri Lanka Tourism Alliance, 2020)

The hotel industry is one of the wider segments of the hospitality industry that focuses on the provision of accommodation or lodging to travellers. Hotel room sales are more than just promoting or advertising the different types of rooms to the guests, it is more than that, hotel sales can be complicated, depending on the profile of the property such as the hotel size, the sales team handling the work and the hotel operation itself (HospitalityNet, 2022). In this competitive industry where vast hotel brands are

everywhere, marketing and sales itself is not enough, hotels needed to formulate and implement smart hotel room sales strategies to increase their room occupancy and revenue. The deep understanding of these details and evaluation of the data focusing on the hotel room sales strategies utilized by the hotels in Cabanatuan City as their basis for sustainable operation will provide valuable insight into how hotels in the local area of Cabanatuan City sell their rooms, build a steady income source despite of the ever-changing market situations. Moreover, hotel room sales are more than just getting another guest to walk through the doors of the property. If done right, room sales can significantly improve the hotel business in its entirety. In this manner, the results and findings of this study will give ideas to hoteliers about the value and importance of hotel room sales.

In this competitive industry, it is important to be innovative and develop strategies that can help the sales growth of the establishment. This research described the socio-demographic characteristics of the population in terms of years of operation, type of hotel, and a number of hotel rooms and identify the hotel room sales strategies utilized by the hotels in Cabanatuan City in the New Normal as a basis for sustainable operation.

II. METHODOLOGY

This section presents the research design used, the respondents of the study, the instruments, and the analysis of the data. The descriptive research design was utilized in this study to describe the characteristics of a population. According to ResearchConnections.Org, Descriptive Research collects data that are used to answer a wide range of what, when, and how questions pertaining to a particular population or group. Moreover, descriptive research is often used as a precursor to quantitative research designs, the general overview giving some valuable pointers as to what variables are worth testing quantitatively. There are 5 respondents which are the hotels in Cabanatuan City gathered in this study through the use of purposive sampling method, a non-probability sampling also known as selective sampling, where the researcher selected the sample based on the characteristics of the population and the objective of the study. The researcher used survey questionnaires to distribute to the respondents. The researcher used these to collect data, tabulate and subject for statistical analysis for interpretation and presentation. For the Statistical Treatment of Data, this research used a percentage distribution formula $P = F / N \times 100$, to determine the percentage of the findings from the socio-demographic profile of the respondents and the weighted mean formula $WM = TWF/N$. Lastly, this research utilized a 5-point Likert Scale which was rated as 5- Very Highly Utilized, 4- Highly

Utilized, 3-Moderately Utilized, 3-Sometimes Utilized and 1-Never Utilized to determine the hotel room sales strategies that hotels in Cabanatuan City used in the new normal.

III. RESULTS AND DISCUSSION

Table 1.1 Company Profile in terms of Years of Operation

YEARS OF OPERATION	FREQUENCY	PERCENTAGE
1 year below	0	0%
1-3 years	0	0%
4-6 years	0	0%
7-9 years	3	60%
10 years below	2	40%
	5	100%

As shown in Table 1.1., the majority of the hotels in Cabanatuan City operates for 7-9 years already with 60% and there are 40% of hotels that operate for more than 10 years. This implies that in terms of years of operation, the life cycle of most hotels is determined by its growth in terms of occupancy and net income during the course of the first five to ten years in the industry then later on stabilizes after 8 to 15 years opening. (Rushmore, 2004). According to Kalcevic, the typical hotel operators said that the hotel cycle occurs over a 7-10 year basis, as the lending market is the ultimate backbone of this cycle money becomes available in the market and new hotels are constructed and operated. (Kalcevic, 2018)

Table 1.2 Company Profile in terms of the Type of Hotel

TYPE OF HOTEL	FREQUENCY	PERCENTAGE
Corporate hotel	4	80%
Boutique hotel	0	0%
Bed and Breakfast hotel	1	20%
Apartment hotel	0	0%
	5	100%

As shown in Table 1.2., the dominant hotels in Cabanatuan City are corporate hotels with 80% and 20% being bed and breakfast. This implies that there is a popularity of corporate hotels in Cabanatuan City, as working remotely has become the common method for many employees. The hospitality industry is being used as make-shift offices for leisure (business-leisure) travellers that seek a new change in their working environment while also enjoying their leisure time. (Weisskopf & Masset, 2022).

Table 1.3 Company Profile in terms of the Number of Rooms

NUMBER OF ROOMS	FREQUENCY	PERCENTAGE
10-20 rooms	0	0%
21-40 rooms	1	20%
41-60 rooms	2	40%
61 rooms and above	2	40%
	5	100%

As shown in Table 1.3., the majority of the hotels in Cabanatuan City have 41-60 rooms with 40% and 61 rooms and above 40% and 20% of hotels with 21-40 rooms. According to Hospitality School, a hotel that has 26-100 rooms are considered a medium hotel and hotels with 101-300 rooms are considered large hotels. This implies that the majority of the hotels are corporate hotels and are categorized as medium hotels. (HospitalitySchool, 2013)

As shown in Table 2.1., in terms of the hotel room strategies utilized by the hotels in Cabanatuan City, it implies those Hotel groups' Sales Strategy, Destination Marketing Strategy and Guest Reward sales strategy are very highly utilized by these hotels with 4.40 weighted mean respectively. This implies that in terms of hotel group sales strategy, the sense of value-based selling is used mostly by the hotels where groups secure their bookings directly to the

planners thereby creating a cost-effective way to sell rooms and meeting spaces to corporate groups. In terms of the Destination Marketing strategy, it implies that the hotel operator coordinates clearly with the tourism business professionals to promote the destination as a whole thereby creating an inbound tourism market. Lastly, the Guest reward strategy is also very highly utilized by the respondents; as the millennial generation rapidly exists as hotels wisely create reward programs for their frequent guests that later on generate repeat bookings. (SiteMinder, 2022)

While Cross Promotional Sales Strategy (4.20) weighted mean, Hotel Direct Sales strategy (4.00) weighted mean both interpreted as highly utilized. On the other hand, the Revenue Management sales strategy got the lowest weighted mean of (3.60) interpreted as highly utilized This implies that hotels in Cabanatuan City also come up with promotions that can match the events that can increase their sales; also some hotel prioritized earning through direct bookings online from as many guests as possible, thus this strategy favored the hotel due to the fact that no agents or distribution partners must be paid by commissions as the guest books directly online. (SiteMinder, 2022)

Overall, the average weighted mean is 5.00 which means that the hotel room sales strategies mentioned are very highly utilized by the hotels in Cabanatuan City.

Table 2 Hotel Room Sales Strategies

Hotel Room Sales Strategies	5	4	3	2	1	WM	VERBAL INTERPRETATION
	VHU	HU	MU	SU	NU		
1. Hotel group sales strategy	10	12	0	0	0	4.40	Very Highly Utilized
2. Hotel direct sales strategy	5	12	3	0	0	4.00	Highly Utilized
3. Destination marketing sales strategy	10	12	0	0	0	4.40	Very Highly Utilized
4. Cross-promotional sales strategy	5	16	0	0	0	4.20	Highly Utilized
5. Guest rewards sales strategy	15	4	3	0	0	4.40	Very Highly Utilized
6. Revenue management sales strategy	5	4	9	0	0	3.60	Highly Utilized
Overall Weighted Mean						5	Very Highly Utilized

Table 3 Strengths and Weaknesses

Hotel Name	Strengths	Weaknesses
Microtel by Wyndham Cabanatuan	Increase brand awareness Audience growth Increase sales	Harder to keep a consistent brand
Harvest Hotel	Revenue Management	Market Segmentation

	Yielding	
TopStar Hotel	Offering incentives, discounts or contracted rates Corporate hotel The only hotel in Cabanatuan City with Carpeted rooms	No leisure areas such as a swimming pool and gym Small Function room with low ceiling Has only 33 rooms
La Parilla	Improved Marketing Full Control of Guest Communications	Cannot prioritize all guests, especially during peak season
Sogo Hotel	High Guest retention Offering discounts on food and accommodation No expiration on the discount card 24/7 electricity due to the large generator area and fast Wi-Fi	Lack of manpower Extension of job duties Low productivity rate due to lack of manpower

As shown in Table 3, the hotels in Cabanatuan City listed the internal strengths and weaknesses of their establishments.

IV. CONCLUSIONS AND RECOMMENDATIONS

The following conclusions were drawn from the above-mentioned results of the study: the hotels in Cabanatuan City are Selling rooms and meeting spaces to corporate groups, there are hotel operators collaborating with tourism business professionals to market the destination and thereby offering reward programs to their loyal guests to maintain connections, the abovementioned details are the hotel room sales strategies that are very highly utilized by the hotels.in Cabanatuan City in the new normal. Lastly, the following recommendations were drawn from the above-mentioned conclusions of the study: A high degree of utilization of revenue management sales strategy to further optimize business results and maximize revenue to create growth. Consider immediate hiring of employees to avoid labor shortage and entertain potential guests during peak season. Consider on-call employees to increase labor force in times of peak seasons.

REFERENCES

- [1] Cloudbeds (2022). HospitalityNet website article on 12 essential strategies to boost your hotel sales (+how to build a hotel sales team). Online retrieved on <https://www.hospitalitynet.org/news/4113927.html>
- [2] HospitalityNet (2021). HospitalityNet website, Hotelogix article on Hotel Room Sales Strategies: To increase Occupancy and Revenue. Online retrieved on <https://www.hospitalitynet.org/news/4105385.html>
- [3] HospitalitySchool (2013). HospitalitySchool website article on Classification of Hotel: The Only Guide You Need to Read. Online retrieved on <https://www.hospitality-school.com/hotel-classification-type/>
- [4] Kalcevic, L. STR (2018). TodaysHotelier website Article on The Hotel Lodging Cycle. Online retrieved on <https://www.todayshotelier.com/2018/01/01/the-hotel-lodging-cycle/>
- [5] Research Connections (2013), ResearchConnections website article on Descriptive Research Studies. Online retrieved on <https://www.researchconnections.org/research-tools/study-design-and-analysis/descriptive-research-studies#:~:text=Descriptive%20research%20is%20a%20type,a%20particular%20population%20or%20group.>
- [6] Revfine (2023). Revfine website article on What is Bleisure Travel? What Are Bleisure Travellers Looking For?. Online retrieved on <https://www.revfine.com/bleisure-travel/>
- [7] Rushmore, S. (2004). Article on Hotel Life Expectancy. Online retrieved on https://www.hotel-online.com/News/PR2004_2nd/May04_HotelExpectancy.html
- [8] SiteMinder (2022). SiteMinder website Article on Essential hotel sales strategies to increase occupancy and revenue. Online retrieved on <https://www.siteminder.com/r/hotel-distribution/hotel-revenue-management/strategies-increase-hotel-room-sales/#-hotel-group-sales-strategy>
- [9] Sri Lanka Tourism Alliance (2019). Sri Lanka Tourism Alliance website article on Marketing and Sales in the Hotel Industry. Online retrieved on <https://www.srilankatourismalliance.com/skills-centre/career-paths/marketing-and-sales-in-the-hotel-industry/#:~:text=Marketing%20and%20sales%20are%20important,business%20plans%20to%20increase%20revenue.>
- [10] Weisskopf, J et al., 2023. EHL website article on 2023 Top Hospitality Industry Trends. Online retrieved on <https://hospitalityinsights.ehl.edu/hospitality-industry-trends>

This article can be downloaded from here: www.ijaems.com

©2023 The Author(s). Published by Infogain Publication, This work is licensed under a Creative Commons Attribution 4.0 License.

<http://creativecommons.org/licenses/by/4.0/>