



# The TravelClick Perspective

## *Current Market Overview*

For the future 12 months, year-over-year average daily rate (ADR) is up 4.4% and committed occupancy is ahead of the same time last year by 3.2% as of July 2011. As a result, RevPAR is tracking 6.5% ahead of same time last year. Based on forward-looking reservations on the books, 24 of the top 25 markets in North America show an increase in ADR for the future 12 months compared to the same period last year. The only market showing a year-over-year decline in ADR is San Antonio with a decrease of 5.2%.

For the top 25 markets, the favorable performance on the books continues to be led by the transient segment with a year-over-year increase in demand of 9% for this segment compared to the same time last year. Group performance is roughly even with last year, up only 1%. Within the transient segment, demand in the discount sub-segment (customers booking fenced or restricted rates) is up 12.5% year-over-year.

For the third quarter of 2011, overall committed occupancy has edged up 2.3% year-over-year for the top 25 markets, led by an increase of 3.5% for the transient segment. ADR is up 4.2% and RevPAR is currently tracking ahead of last year by 6.3%.

Based on current commitments on the books, the top 25 markets are showing strong RevPAR year-over-year increases of 6.7%, 9.9% and 5.0% for the months of August, September and October respectively.



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## Marketing Spend: Best practice ideas for improved ROI

Hotels spend a significant amount of time and money on marketing initiatives. These initiatives are planned and executed to positively affect performance with specific objectives such as driving occupancy/RevPAR, boosting weekend stays and rejuvenating brand equity. Key questions that hotel marketing stakeholders are constantly asking:

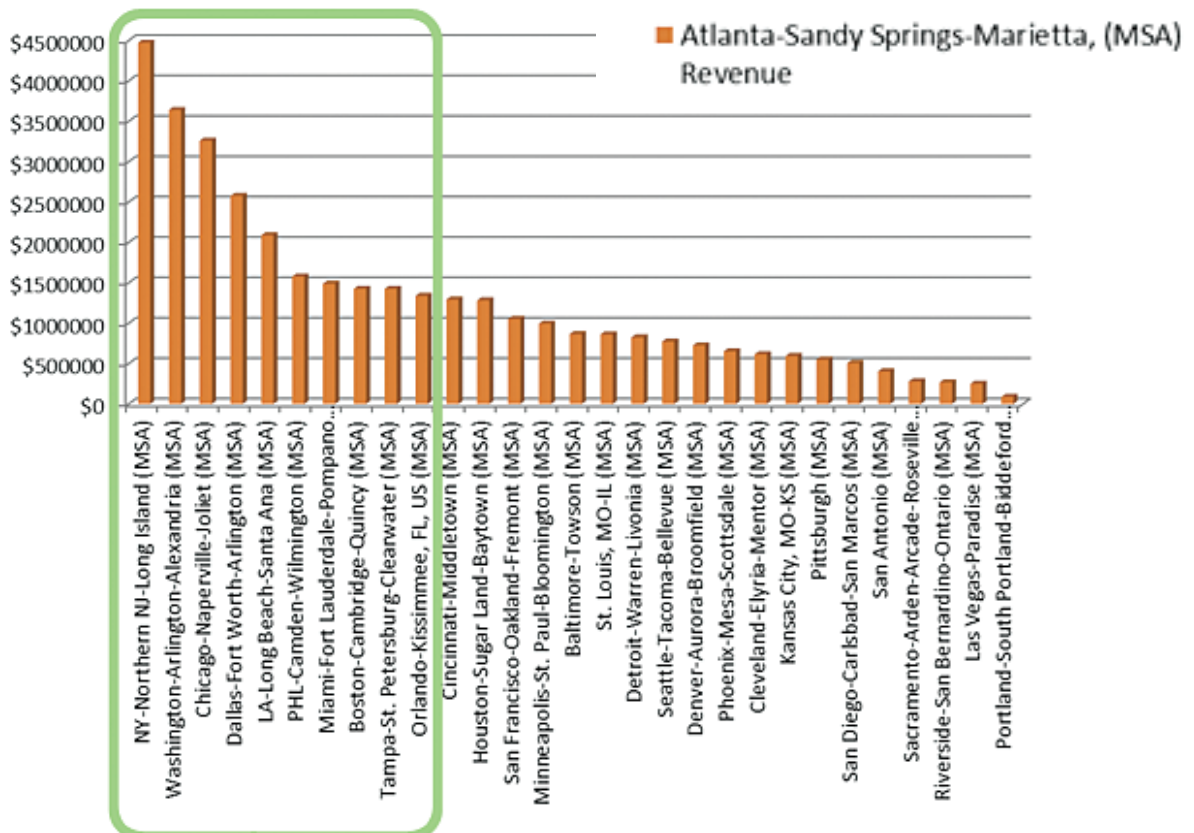
- Given the marketing budget where should I best target the spend?
- Did the marketing spend/campaign achieve the desired results?

With the right data and analytics, the effectiveness of marketing campaigns can be measured to better understand the impact of the campaigns. The key concepts behind improved marketing campaign planning are:

1. Learn from history: Not all campaigns are the same. Leverage campaign history to gain insights on what works based on own hotel performance and performance relative to the market.
2. Focus the campaign: Given budget limitations and campaign objectives, target the spend in specific channels, specific geographies and specific campaigns/offers.

The following example provides a quick illustration of guest point-of-origin (source) revenue for one destination market, Atlanta:

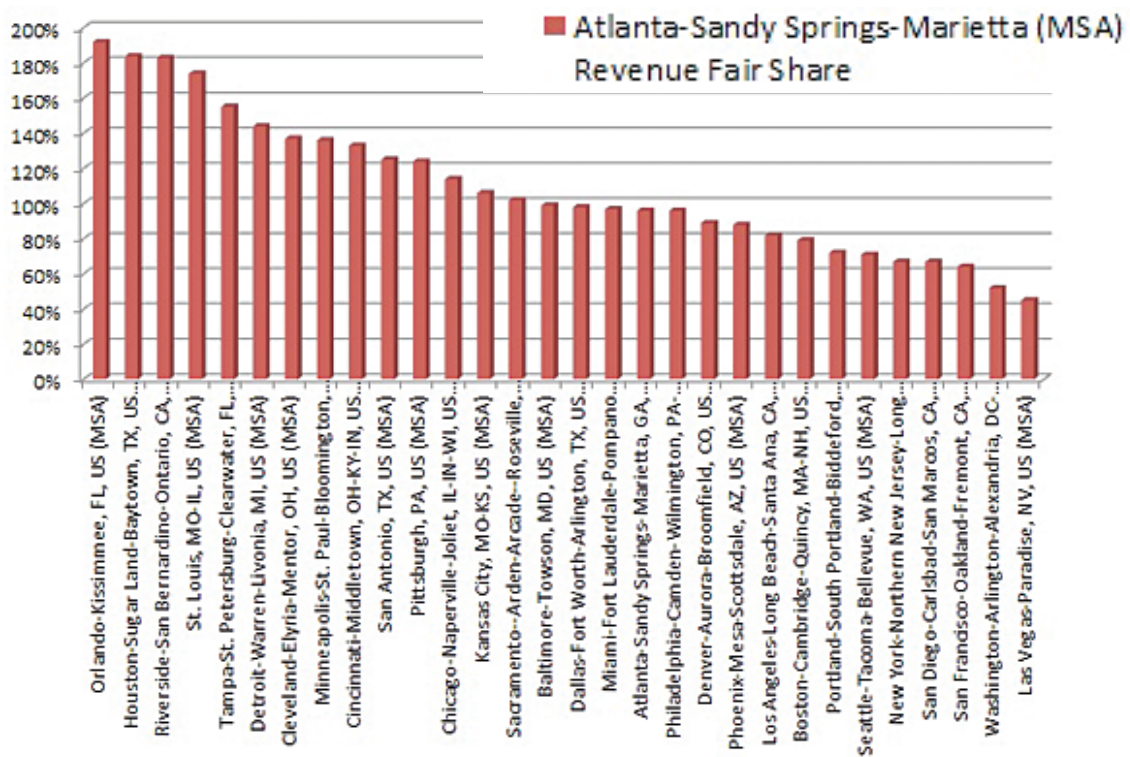
**Destination Atlanta-Sandy Springs-Marietta (MSA)**  
Source Mkts on X-Axis



Given the distribution of hotel revenue by source markets, marketing campaigns may be targeted in source markets with potential for most return as highlighted in green above. Further, lagging source markets can merit consideration for marketing investments.

Subsequent to campaign execution, measuring the ROI is a not only a function of the hotel's own performance but the hotel's performance relative to it's market and estimating the benefits of the campaign.

## Destination Atlanta-Sandy Springs-Marietta (MSA) Source Mkts on X-Axis



Reviewing the hotel's Fair Share and Share performance provides an effective way of measuring the benefits of specific marketing initiatives.

The above analysis is based on TravelClick's Demand Position data over a three month period spanning May 2011 through July 2011.

### *Spend with care*

Marketing campaigns are a significant investment and can provide excellent value and ROI both in the short term and long term. Managing the marketing processes effectively and efficiently begins with specific analysis of historical campaigns to identify those that provide the most promising returns. Focusing marketing campaigns on specific markets/destinations with specific marketing vehicles maximizes the return on spend.

## Performance Summary

The chart to the right shows the year-over-year position by market of committed occupancy, reserved occupancy, ADR and RevPAR, based on business on the books for the future 12 months. Committed occupancy is group blocks plus transient reservations. Reserved occupancy, ADR and RevPAR are based only on reservations (group pickup and transient reservations). Shades of green indicate performance better than the market average. Shades of orange/red indicate performance worse than the market average.

	Committed Occ	Reserved Occ	Reserved ADR	Reserved RevPAR
Atlanta	-3.3%	-4.4%	1.3%	-3.1%
Boston	6.2%	3.9%	4.7%	8.8%
Charlotte	-1.1%	1.8%	6.2%	8.2%
Chicago	8.3%	2.6%	2.7%	5.3%
Dallas	-2.2%	2.0%	1.9%	3.9%
Denver	0.4%	0.0%	2.9%	2.9%
Detroit	10.4%	6.7%	4.0%	11.0%
Honolulu	-3.7%	-2.0%	7.9%	5.7%
Houston	4.2%	0.0%	0.1%	0.1%
Indianapolis	12.5%	4.2%	2.8%	7.1%
Los Angeles	4.0%	3.2%	4.5%	7.8%
Miami	5.7%	9.8%	5.7%	16.0%
Minneapolis St Paul	0.6%	0.7%	7.2%	8.0%
New York	4.0%	2.2%	5.4%	7.7%
Orlando	2.5%	4.8%	0.3%	5.2%
Philadelphia	11.5%	-0.5%	6.2%	5.7%
Phoenix	5.0%	9.9%	3.7%	14.0%
San Antonio	3.6%	1.0%	-5.2%	-4.2%
San Diego	6.3%	0.2%	0.6%	0.8%
San Francisco	4.9%	5.6%	11.6%	17.9%
Seattle	6.3%	1.8%	2.6%	4.5%
St Louis	4.5%	0.6%	5.6%	6.2%
Tampa	1.4%	6.4%	1.7%	8.1%
Toronto	1.1%	0.0%	12.4%	12.4%
Washington DC	-1.8%	-2.5%	5.4%	2.7%

## About TravelClick

TravelClick ([www.TravelClick.com](http://www.TravelClick.com)) is a leading provider of profitable revenue generating solutions for hoteliers worldwide. TravelClick offers hotels world-class reservation solutions, business intelligence products and comprehensive media and marketing solutions to help hotels grow their business. With local experts around the globe, we help more than 30,000 hotel clients in over 140 countries drive profitable room reservations through better revenue management decisions, proven reservation technology and innovative marketing. Since 1999, TravelClick has helped hotels leverage the web to effectively navigate the complex global distribution landscape. TravelClick has offices in New York, Atlanta, Chicago, Barcelona, London, Dubai, Houston, Melbourne, Shanghai, and Tokyo. Follow us on [www.twitter.com/TravelClick](https://www.twitter.com/TravelClick) and [www.facebook.com/TravelClick](https://www.facebook.com/TravelClick).

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