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Issue Date: May 2010, Posted On: 4/26/2010

Monitoring Distribution

Channel management can help independent boutique hotels maximize online exposure while controlling costs.

by Len Vermillion



When it comes to controlling distribution and rate on the plethora of channels available today, the task can be daunting. These days, consumers are finding hotel rooms through online travel agencies, via mobile apps, and hotels' own branded Web sites. For a large brand, keeping tabs on how much its rooms are going for and from where they are being booked is hard enough, even when they have their own brandwide channel management resources. For a small independent or boutique hotel, keeping up can be a downright

chore.

Luckily, the same technologies available for branded hotels are available for small and independent hotels. Makers of such tools have produced systems that allow hotels to vigorously maintain and monitor their third-party distribution partners. The systems let hoteliers maximize their online exposure without increasing labor costs.

"The resources that are out there from a technological perspective are very helpful," says Doug Carrillo, senior vice president of sales and marketing for Tecton Hospitality and Desires Hotels, a management company that manages independent boutique hotels. "They do a very good job of helping us manage our inventory and rates across all of our distribution channels, whether they be Internet or whether they be GDS (global distribution systems)."

The systems can help overtaxed independent hotels, which don't have the benefit of corporate help, practice rate parity. "Systems like these help us accomplish that," Carrillo says. "We very rarely, in today's environment, get involved in managing an extranet of an individual online travel agency or distribution channel. The labor that it takes to put the effort up against that is just not productive. It's not a good use of our resources. We tend to manage ourselves through direct connections through our property management system and channel distribution system." Since some independent boutique hotels are generally more limited in terms of resources, Carrillo says that channel management systems can help these hoteliers remain more competitive. "The technology and the process behind it are the things that make you more competitive in the marketplace," he says. He says Desires' channel management system has helped it make two of its hotels the top properties in their markets in terms of revenue per available room (RevPAR).

"That is happening in competitive environments where they are up against branded hotels that have more resources," Carrillo says. "If we didn't think we were competitive from a channel distribution perspective, then I don't think we'd be the number one in RevPAR in those places. "I think [the system] helps us manage our rates properly and helps us grow our rate by managing our distribution channels more efficiently," he continues. "If we manage our distribution channels where we are managing the inventory based upon the channels that bring us the highest level of profitability, automatically our rates go up and our profitability goes up." Tecton Hospitality and Desires Hotels offers its channel management capabilities to all of its properties. "That's the benefit of a professional management company," Carrillo says. However, any independent hotel can take advantage of any number of channel management systems available. "The technology is actually the conduit, but it's not just about the technology," Carrillo continues. "I think it's the management of the process behind it that helps you drive more revenue and profit."

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