

hotel

HospitalityWorldNetwork.com
Vol. 226, No. 3 | March 2011

The Leading Hospitality News Authority Since 1875

MANAGEMENT

 pulse

DOWN BUT COMING UP

Operating profits declined
50% from 2000 to 2009.

Source: Colliers PKF Hospitality Research

2000: \$21,526

2009: \$10,663

2011F: \$12,696

SEE PAGE 10 FOR MORE TRENDS & STATS

REVENUE MANAGEMENT

Realities of raising rate

Intelligent revenue management requires knowing your audience and being honest about pricing and position



The Hotel Group manages the Courtyard Richland Columbia Point in Washington.

By Andrew Sheivachman
ASSOCIATE EDITOR

NATIONAL REPORT—For third-party management companies and GMs alike, surviving the economic downturn was a challenge that tested the limits of revenue management.

"Whether you're in a recession or coming out of one, for pricing in particular, you need to understand who you are," said Scott Blakeslee, GM of the InterContinental Dallas.

A drop in group and corpo-

rate demand challenged Blakeslee and his team to increase occupancy without dropping rates.

SEE RELATED
STORY:

Networked revenue-management systems save time, money

Page 38

"I always try to stick to basics of understanding the product, audience and market," he said. "Every day you need to yield rates to market conditions through competitors, weather history for a property, or sometimes even gut feelings."

"The economy really changed consumer buying patterns—we have a stronger short-term book-
See **Revenue** | page 27

China, other developing countries bank on positive future for hotels



Many cities in Russia have expanding industrial bases but virtually no hotel product. Above is the Holiday Inn St. Petersburg-Moskovskoye.

By Andrew Sheivachman
ASSOCIATE EDITOR

NATIONAL REPORT—In China, hotel developers are making a huge bet that the country's impressive growth rate will continue indefinitely above the rate of other developing nations.

"The big development boom has moved from coastal cities inland, into secondary and even tertiary markets," said Arthur de Haast, global CEO of Jones Lang LaSalle Hotels. "Develop-

See **BRIC** | page 70



ONE-ON-ONE
ROSEWOOD'S
BOB BOULOGNE
COO says smart revenue management is gradual and keeps guests first | See page 34

inside this issue

TRENDS & STATS

Pricing power spurs recovery
Robust demand growth and improved economic outlook raise expectations for strengthening of the recovery. **PAGE 10.**

DEVELOPMENT

Growth through existing hotels
Wyndham Hotel Group targets conversions to grow the Dream and Night brands through franchising. **PAGE 12.**

TECHNOLOGY

Save time and money
Effective revenue management is essential to maximizing profit while remaining competitive across multiple channels. **PAGE 38.**



Light up the night: LED REVOLUTION

→ **100 percent**
Light-emitting diodes replaced all neon at the 4,004-room Aria Resort & Casino in Las Vegas.

By Katie Tandy
ASSOCIATE EDITOR

Surrounded by equal parts controversy and excitement, MGM's CityCenter project is the largest privately funded project in the history of the United States, drawing a slew of architects and designers to craft the intricate complex of facilities.

Lighting the way was Ron Harwood, president of Illuminating Concepts, whose company served as the executive lighting designer for CityCenter. Harwood said MGM wanted the entire project to meet very high Leadership in Energy and Environmental Design standards, but the anticipated stress on the lamps coupled with the intense use of a power supply was extremely challenging to counter. Light-emitting diode lights immediately moved to the forefront of Harwood's lighting solutions, offering high-end design and a serious commitment to green initiatives. Harwood discussed the Aria Resort & Casino, a 4,004-room Gold LEED property, illustrating the design process. LED lights, though more expensive than the halogen, compact fluorescent or incandescents typically found in hotels, have a much longer life span, versatility and lower wattage, providing substantial cost savings in terms of maintenance, renovation and bulb replacements.

"We used very, very little incandescent lighting in Aria—LED replaced all the neon," Harwood said. "We used miles and miles of LED cove lighting, and the energy saving was 75 percent. We had to go room by room, square footage by square footage to check lamp types that were originally specified and change most of them; otherwise maintaining all those lamps could be a huge issue with facilities managers. In some

cases, the originally specified 50-watt lamp could be changed to 35. If you use less wattage, a less-intense light, the cooling bill goes down. In Las Vegas, that's a huge issue."

As the demand for LED lights swiftly rises, the manufacturing process is becoming increasingly standardized and upfront costs are beginning to drop for owners. While the tens of thousands of diodes made every year (mostly in Asia) are crafted on automated assembly lines, the basic diode is a blue LED and must be coated again and again to filter the color or add white.

"Everyone has a different approach," Harwood said. "LED lamp sources for use in hospitality and commercial applications have been around for only about three years. The changes they are going through are dramatic—the change in output has doubled in just a few years." **HM**

ktandy@questex.com

→ **75 percent**

The amount of energy compact fluorescent bulbs save vs. regular bulbs. Hotels can reduce 150 pounds of CO₂ from the atmosphere each year by replacing their bulbs.

Source: IHG

Beauty and the geek: Design meets technology

Hospitality lighting must strike a balance between the latest technology and an impressive aesthetic, a delicate straddling that design firms struggle to achieve with every property. For Basil Souder, a principal at architecture and interior design firm Lohan Anderson, Hotel Arista in Naperville, Ill., is the ideal manifestation of this challenge. The hotel carefully incorporates the modern, technologically savvy Stanza lighting system by Lutron with a decidedly residential lighting scheme, achieving a mixture of classic and contemporary influences.

"In terms of inspiration it was supposed to feel like a home away from home primarily for the business traveler," Souder said. "So we used a palette of really warm but smart colors—things like grays, darker woods and limestone tiles in the bathroom to evoke that look. But also, energy use in the hotel was a big thing."

Lutron's Stanza system features a simple three-fold lighting system: 'Welcome,' which turns everything on, 'Away,'

which shuts everything off and 'Nightlight,' which allows guests to minimize unnecessary energy use, all with just the push of a bedside button. Souder also said that while this level of technology used to serve as an enticement for guests, now it's more of a requirement. Additionally, owners and operators can easily retrofit their guestrooms with the system in less than a day. **HM**

→ **21 percent**

The lighting system at Hotel Arista in Naperville, Ill., helps the hotel use 21 percent less energy.

