



HOTEL MANAGEMENT

HOTELMANAGEMENT.NET

THE LEADING HOSPITALITY NEWS AUTHORITY SINCE 1875 | Vol. 233, No. 4 | April 2018

DISCOVER THE ADVANTAGES OF PARTNERING WITH WYNDHAM

- ▲ Buying power of over 8,000 hotels across 20 global brands
- ▲ Proven growth with over 1,100 hotels in the pipeline
- ▲ 54 million Wyndham Rewards members and counting

WYNDHAM

HOTEL GROUP



Wyndham Grand
Bonnet Creek Resort
Orlando, FL

FOR MORE INFORMATION VISIT
WHGDEVELOPMENT.COM
OR CALL 800-889-9710

 #BXNNIX *****FIRM**CAR-RT LOT**C-031
 #10051212325#
 PLT 8
 C/O BEN SIMBORIO
 21131 MARBELLA AVE
 CARSON CA 90745-1359

ADVERTISEMENT

INSIDE THIS ISSUE

NEWS

8 | Hotels and OTAs are locked in a battle for customers, and it's heating up

10 | Hospitality companies forge deeper relationships with consumers

12 | Radisson's new CEO takes charge during HNA flux

16 | The co-founder of Yang Capital talks West Coast development, home sharing



OWN

20 | U.S. hotel management companies turn their attention to Canada

22 | Everwood Hospitality has big plans for Plantation, Fla., starting with a new hotel

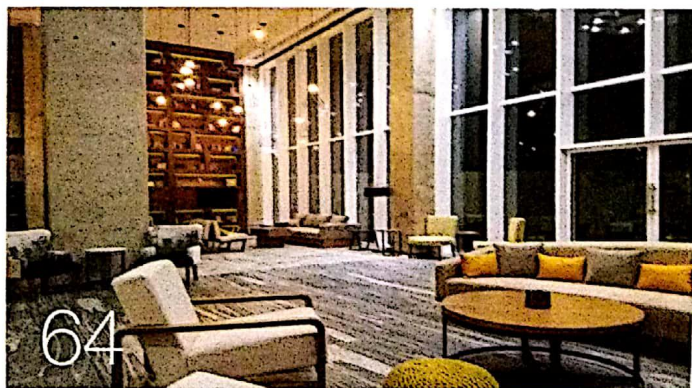


COLUMNS

- 6 Up Front | David Eisen
- 26 Hospitality Lawyer | Melissa Dials
- 28 Sales & Marketing | Donna Quadri-Felitti
- 66 Ad/Editorial Index
- 67 Marketplace
- 68 Classifieds
- 74 Seen

ON THE COVER

Country Inn & Suites by Radisson, Springfield, Ill.



DEPARTMENTS

ONE-ON-ONE

30 | Jim Merkel

The CEO of Rockbridge digs into his love of investment, hospitality and, most of all, charity

GM LOOK

32 | Awet Sium

The GM of the Kimpton Vero Beach (Fla.) Hotel & Spa on seizing opportunities and coming full circle

SPECIAL REPORT

34 | Top Third-Party Management Companies

The industry's best and biggest management companies divulge their numbers from 2017

TECHNOLOGY

50 | TV Trends

From casting to bezel width, here are four TV trends that should be on hoteliers' radar

OPERATIONS

54 | HVAC/PTAC

Not all buildings are created equal, which is something adaptive-reuse developers quickly learn

DESIGN

58 | Bathroom Design

Bathroom design challenges are legion, but savvy designers have a few tricks up their sleeves

PROCURE

62 | Cleaning Products

63 | Fitness Equipment

HOT OPENING

64 | Homewood Suites Silao Airport

The first Homewood Suites to open in Mexico in 20 years showcases a new prototype for the brand

HOTEL MANAGEMENT (ISSN 2158-2122) is published monthly (except two issues in June - 13 issues yearly), by Questex LLC, 757 Third Ave., 5th Floor, New York, NY 10017. Subscription rates: \$68 for 1 year, \$107 for 2 years in the United States & Possessions; \$91 for 1 year, \$130 for 2 years in Canada and Mexico; all other countries \$146 for 1 year, \$302 for 2 years. Single copies (prepaid only): \$5.50 in the United States; \$6.50 in Canada and Mexico; \$12.50 all other countries. Back issues, if available are \$10 in the U.S., \$12 in Mexico and Canada; \$24 for all other countries. International subscriptions will be subjected to \$82.50 per annual order for air-expedited service. Includes \$7.15 per order plus \$2.20 per additional copy for U.S. postage and handling. Periodicals postage paid at New York, NY 10199 and additional mailing offices. POSTMASTER: Please send address changes to Hotel Management, P.O. Box 1267, Skokie, IL 60076-8267. Canadian G.S.T. number: 840 033 278 RT001. Publications Mailing Agreement Number 40017597. Printed in the U.S.A. Copyright 2018 Questex LLC. All rights reserved.

Copyright 2018 Questex LLC. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or information storage and retrieval system, without permission in writing from the publisher. Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by Questex LLC for libraries and other users registered with the Copyright Clearance Center, 222 Rosewood Dr., Danvers, MA 01923; phone: (978) 750-8400; fax: (978) 750-4470; call for copying beyond that permitted by Sections 107 or 108 of the U.S. Copyright Law. For those not registered with the C.C.C., please permission request to Wright's Media (877) 652-3295. Hotel Management does not verify any claims or other information appearing in any of the advertisements contained in this publication, and cannot take any responsibility for any losses or other damages incurred by readers in reliance on such content. Hotel Management welcomes unsolicited articles, manuscripts, photographs, illustrations and other materials but cannot be held responsible for their safekeeping or return. Questex LLC provides certain customer contact data such as customers' names, addresses, phone numbers and e-mail addresses to third parties who wish to promote relevant products, services and other opportunities which may be of interest to you. If you do not want Questex LLC to make your contact information available to third parties for marketing purposes, simply call toll-free (800) 344-1218 between the hours of 9 a.m. and 5:00 p.m. CT and a customer service representative will assist you in removing your name from Questex LLC's list. Outside the U.S., please phone (978) 313-6014.

Could Airbnb and Amazon drive OTAs out of business?

BY DAVID EISEN
@DAVIDEISEN3

It's just a thought. And for hotels, trading Expedia and Booking.com for Airbnb and Amazon is a little like robbing Peter to pay Paul, only the inverse. It would be the ultimate in metadisruption: disruptors disrupting disruptors. A 3D demolition. The alliteration itself is worth its weight in gold.

If there is one thing you can say about Airbnb, it's that it has moxie. In announcing it is courting hotels to list on its site, the platform that started as a home-sharing site is not only pivoting, it's adding a new rival to the hotel industry: online travel agencies. That's quite a feat. Far too long the duopoly of Expedia and Booking.com has had relative ownership of the intermediary space—because there was no one with critical mass to challenge it. That's changing. Estimations are that Airbnb garnered around 100 million bookings in 2017, and it has a verified total of 300 million guest arrivals all-time. That means the site has eyeballs; people are using it to book travel. Now that Airbnb has reached the prodigious volume it has, it can really rev its engine. That's what it is doing by opening up to hotels and not just homes. It's like having a Ferrari and now kicking it into fifth gear.

Still, you need to have a value proposition that would persuade a hotel to list on the site. Hotels, like any business that pays commission on a sale, want to pay the lowest commission rate possible. It's common sense. Airbnb is promising hotels a digestible 3-percent to 5-percent commission rate, which is far smaller than what typical OTAs offer. Sure, there are some variables, and what Airbnb loses in commission to the hotel it makes up for via a between 5-percent to 15-percent service fee passed onto the guest. Airbnb is currently opening itself to boutique hotels and B&Bs, but it would be implausible to think that, down the road, it won't make itself available to chain hotels, too, especially with an IPO in the near future. The only way it could backfire is if its community or tribe, which comes to Airbnb explicitly to avoid big-box, traditional hotels, gets



turned off and leaves.

Airbnb is pushing its message hard to hotels. One gif, which constantly pops up in my Twitter feed, even though I am not a hotel proprietor, states: "Tired of paying up to 30% to the big OTAs? Try Airbnb." At Airbnb's rates, should I be?

There is another powerhouse that if it did decide to step (back) into the travel-booking arena would be a worthy adversary. I'm speaking, of course, about Amazon. Estimates peg its subscriber base at more than 300 million active users, some 80 million of which are Prime subscribers, who tend to spend more on the platform than non-Prime shoppers. Amazon

has become a one-stop shop for anything from socks to a toaster shaped like the Death Star. Fact is, people shop and buy things there, and it's no stretch to believe that they wouldn't make travel purchases there, too. Amazon has been down this road in the past before deciding to pack it in. In April 2015, it launched Amazon Destinations, a hotel booking resource that initially targeted weekend getaways. It was shuttered by October of that year, possibly due to the powerful OTAs and their entrenched market dominance over online travel bookings. Three years prior to Destinations, Amazon launched Local, which concentrated on discounted hotel deals. It, too, didn't last.

Is it time for a comeback? A recent Morgan Stanley note makes the case that it could try again. Heck, if it can make it in health food (Whole Foods), why not travel? While there are no current plans, the note notes Amazon's loyalty, pricing, frictionless payment and gigantic base of buyers as reasons to reconsider. The note contends Amazon would be a foe to the OTAs, remarking: "If Amazon could build an online hotel business even 50 percent the size of Expedia... it would add roughly \$600 million to operating profit."

Expedia and Booking.com have little chance of going the way of Blockbuster. But in owning some 80 percent of the online booking market, an outside challenge isn't only inevitable, it's welcomed. **HM**

CONNECT WITH US! At Hotel Management, we are doing more and more each day to interact and engage with you—our loyal readers. Join us on the following social-media platforms and join the discussion.



www.twitter.com/
HotelMgmtMag



www.facebook.com/
HotelMgmt



www.linkedin.com
Search: Hotel Management



Download the
Hotel Management app

EDITORIAL MISSION STATEMENT

HOTEL MANAGEMENT SUPPLIES THE CREDIBLE NEWS ANALYSIS AND OPERATING RESOURCES THE LODGING INDUSTRY NEEDS TO PROSPER AMID CONSTANT CHANGE. COMPREHENSIVE REPORTING AND RESEARCH OFFER TOP-OF-MIND AND QUICK-HITTING INSIGHTS WHILE INTRODUCING THE PEOPLE DRIVING THE FUTURE OF THE HOTEL COMMUNITY. STRATEGIES ABOUT MARKETING, FINANCE, TECHNOLOGY, DESIGN AND PRODUCT PURCHASING GO BEYOND THE BRICKS AND MORTAR TO BRING READERS CLOSER TO THE FUNDAMENTALS OF OPERATING IN THE LODGING BUSINESS.



EDITORIAL
757 Third Ave., New York, NY 10017

WHAT SUPERHERO POWER DO YOU WISH YOU HAD?

Editor-in-Chief—David Eisen
deisen@quester.com | (212) 895-8436

Managing Editor—Laine Yelzer Simon
esyelzer@quester.com | (212) 895-8431

The ability to disappear when it suits me

Associate Editor—Jena Tesse Fox
jtesse@quester.com | (212) 895-8287

Associate Editor—C. Elliott Mast
emast@quester.com | (212) 895-8288

Teleportation, but I'd probably still be late

Art Director—Amy B. Witek
awitek@quester.com | (440) 540-4935



ADVERTISING/SALES/CIRCULATION

Group Publisher—Amy B. Waxman
awaxman@quester.com | (609) 257-3412 | Fax: (609) 257-0980

Dir. Business Dev., West, Midwest, NJ
Cynthia Zuker, czuker@quester.com
(732) 845-0011 | Fax: (732) 358-0390
I wish I could time travel

Dir. Business Dev., East Coast
Julia Wolfner, jwolfner@quester.com
(212) 895-8409 | Fax: (212) 895-8219

Dir. Business Dev.
Mary Malloy, mmalloy@quester.com
(216) 402-9467
The ability to fly

Audience Development Manager
Deborah Gulsian | dgulsian@quester.com



PRODUCTION

Production Director—Hal Garstein
hgarstein@quester.com | (212) 895-8439

Production Specialist—Sue Gagliotti
sgagliotti@quester.com | (212) 895-8239

MARKETING/MAGAZINE SERVICES

Marketing Director—Alexandra Albridge
aalbridge@quester.com | (212) 895-8284

Digital Marketing Coordinator—Ashley Yaghoobian
ayaghoobian@quester.com | (212) 895-8408

List Rental—MeritDirect LLC—Anthony Carraturo
acarraturo@meritdirect.com | (914) 368-1083

Permissions/Reprints—Wright's Media | (877) 652-5295

Subscriptions, Customer Service, Back Issues, Single Current Copies
HotelManagement@mda.com | Toll Free: (866) 344-1315 | Int'l: (847) 513-6024

EXECUTIVES

President & Chief Executive Officer—Kerry C. Gurtus

Chief Financial Officer—Debra S. Mason

Chief Revenue Officer, Quester Digital—Beth Brander

Executive Vice President and Chief Digital Officer—Steve Kuffel

Senior Vice President Sales and Business Development—Jack Fort

Senior Vice President Digital Content and Product—Anthony DeBenedetto

EDITORIAL ADVISORY BOARD

Jim Butler, Partner, Jaffer Mangos Butler & Mitchell

Mike Cahill, CEO & Founder, HRIC

Mary Beth Cutshall, SVP of Acquisitions & Business Development, PMAA

JP Ford, Principal, Lodging Economics/HRM

Naveen Kakaria, President & CEO, HRM

Bill Linehan, EVP & CMO, Red Lion Hotels Corp

Ravi Patel, President, Homewood Suites

Raj Trivedi, EVP & COO, La Quinta

