



# Lodging Overview

An introduction to lodging categories,  
hotel classification and lodging roles

expedia group  
**Academy**



- Lodging Defined & Types
- Lodging Players
- Lodging Insights
- Types of Lodging Roles



# Lodging Defined & Types

**Lodging** refers to the renting of a short-term dwelling.

## Types Lodging

### ▶ Hotels

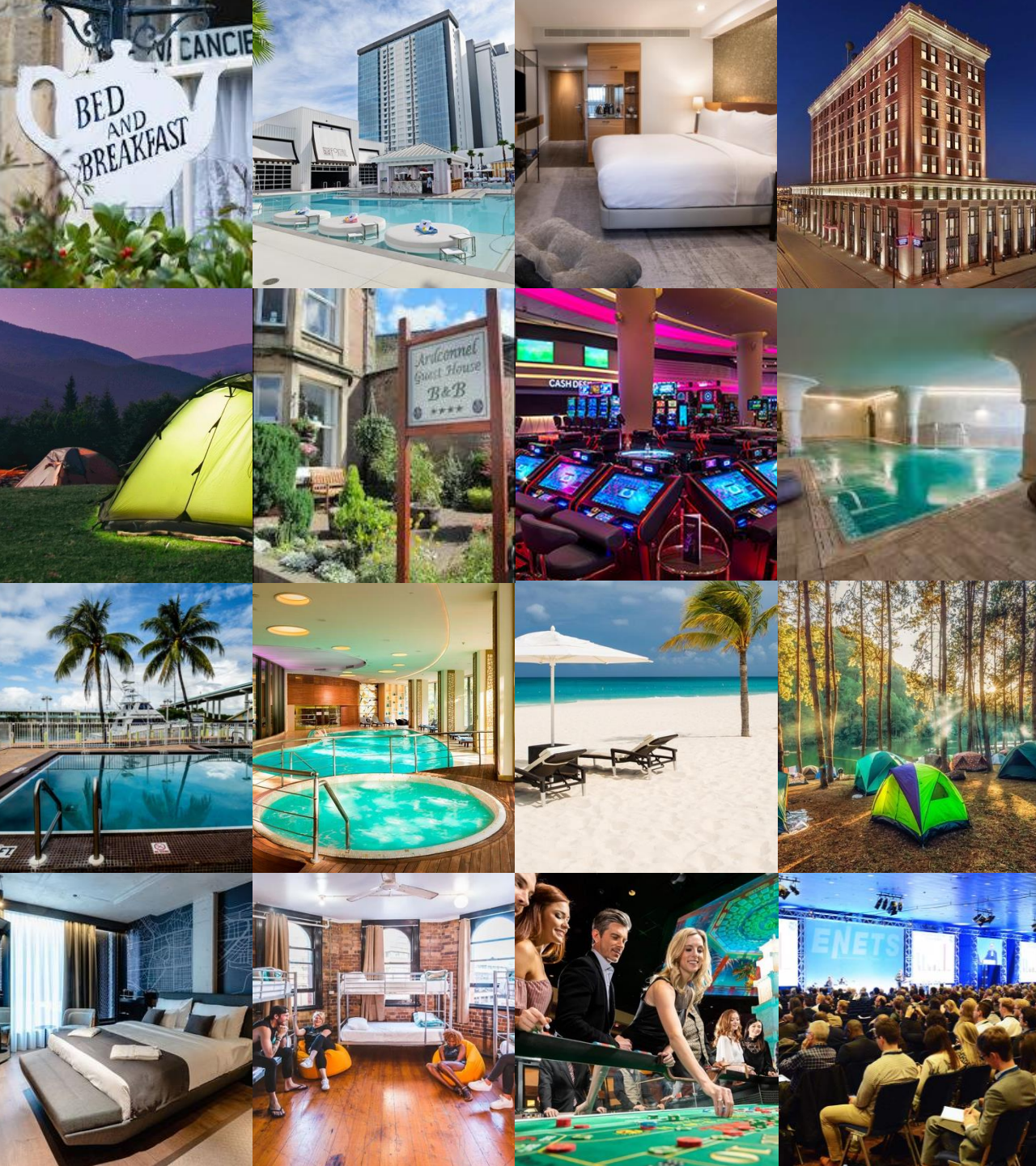
- Classic, Business, All-suite, Extended stay
- Resort, Casino, Conference & Convention Centers
- Residential, Spa, Condominium

### ▶ Vacation rentals

### ▶ Bed and Breakfasts

### ▶ Hostels

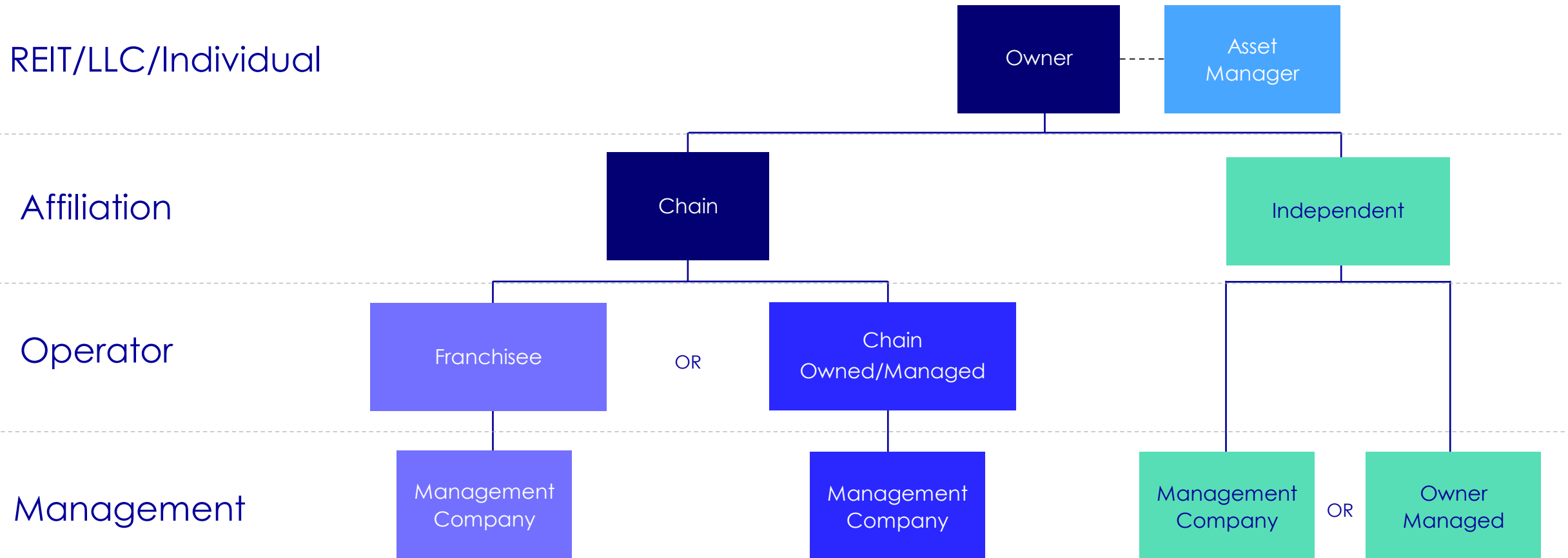
### ▶ Campsites



# Lodging Players

The background is a dark blue gradient. It features several overlapping circles: a large teal circle on the right, a smaller teal circle at the top, a thin white circle overlapping the teal ones, and a blue circle on the bottom left.

# Lodging Players: How does it work?



An **Owner or Ownership Group** refers to the people or entity that owns the underlying real estate asset or lease of a hotel in any state of development.



## Function

- Determine revenue strategy for the hotel(s) and hold management teams accountable to performance goals

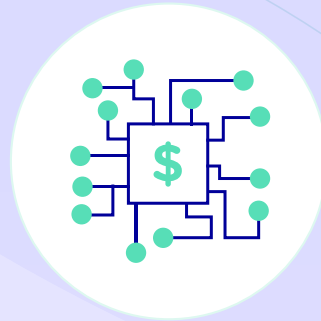
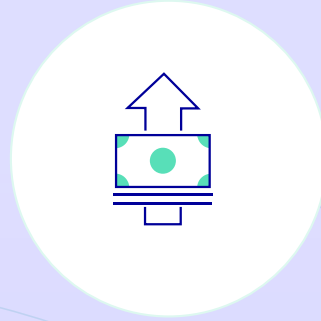
## Top Priorities

- Bottom line profit goals
- Cash flow
- Flow-through rates
- Capitalization Rate = Property's net operating income/current market value of the hotel asset

## Examples

- The Blackstone Group
- Ashford Hospitality Group
- Apple Hospitality Real Estate

An **Asset Manager** is responsible for maximizing the return on the hotel investment for the owner/ownership group.



## Function

- Manage profitability and performance of assets to improve overall asset valuation in the marketplace
- Represent the hotel owner's interests
- Bridge the communication and potential knowledge gap between the hotel owner and the hotel operator

## Top Priorities

- Net Operating Income (NOI)
- Cash flow
- Flow-through rates
- Cost of each channel
- New ways to generate new revenue sources
- Operational burdens: connectivity, room turnover, customer wear and tear on property – implications to capital expenditure plan
- Marketing Return on Ad Spend (ROAS)
- Collaboration with management companies

## Examples

- HotelAVE
- Atrium Hospitality Asset Management



A **Management Company** manages the daily operations and staff of a hotel, either for an incentive fee, a base fee or a percentage of the gross revenue.



## Function: Revenue Management

Manage revenue channels, determine right business mix, and work with sales & marketing to ensure ideal group/catering bookings.

### Top Priorities

- STR / Market share performance vs comp set
- Budgeted Occupancy, Average Daily Rate, and RevPAR
- Bonuses are typically based on market share growth (RevPAR Index)
- Segment mix targets
- Channel optimization

## Function: E-Commerce

Lead online marketing efforts for a portfolio.

### Top Priorities

- Visibility and increased online traffic to hotels direct website
- Unique visitors
- Conversion
- Return on Ad Spend (ROAS)
- Traffic to direct website
- SEM/SEO
- Meta

## FUNCTIONS Continued



### Operations:

- Manage efficiency and profitability of operational teams – finance, guest service, housekeeping, and in some cases revenue management

### Top Priorities

- Gross Operating Profit (GOP)
- Flow-through
- Any and all costs – including operational costs of implementing a revenue strategy
- Brand/chain standards delivery in the areas of pricing and distribution
- Operation execution around different segments by channel and type

### Examples

- Aimbridge Hospitality
- HEI Hotels & Resorts
- Crescent Hotels

# Independent Hotels

An independent hotel is free of chain affiliation and does not allow other proprietors to use its name/brand



Example



# Hotel Chains

A chain hotel is part of a series or of a group of hotels with the same identity that binds them together



Example





Autograph Collection Hotels – Hotel Bank Opera Paris

## Soft Brands

**A soft brand hotel is an independent hotel that joins a chain while maintaining a strong sense of individuality and independence.**

For most hoteliers, the draw of independent hotels is the custom identity, personal touch, and commitment to service that offer a one-of-a-kind guest experience. Big hotel chains want to be known for similar offerings, which makes soft brand partnership valuable for both parties.

Example

AUTOGRAPH  
COLLECTION®  
HOTELS



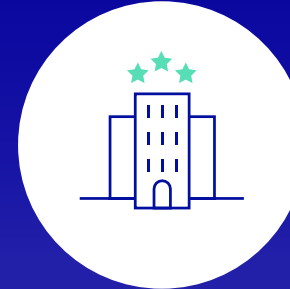
## Franchised Hotels

- Franchising allows the hotel owner to operate under a brand name in exchange for payment and royalties
- Franchise Agreement: the franchisee operates its own hotel in compliance with brand standards

### Franchisee Agreement Costs:

- Franchise fee
- Mandatory Service fees

&



## Managed Hotels

- Hotel management companies run hotels on behalf of owner in compliance with the brand standards

### Management Agreement Costs:

- A base fee for brand trademark
- An incentive fee
- Mandatory Service Fees



## Vendors & Distribution Partners

Anyone who provides goods or services to another entity. Some vendors or distribution partners manufacture inventoriable items and then sell those items to customers, while other vendors offer services or experiences.

Vendor examples

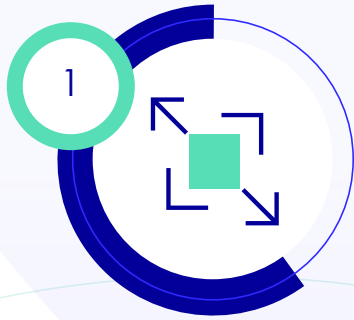


**Sabre**  
Hospitality  
Solutions

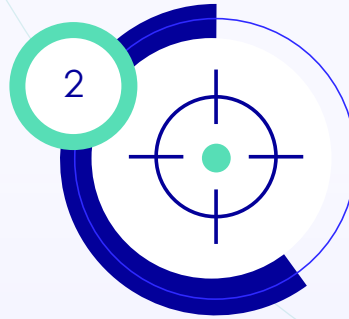


# Lodging Insights

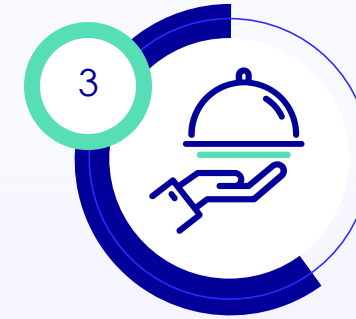




1  
By size or  
number of rooms



2  
Target markets



3  
Levels of service

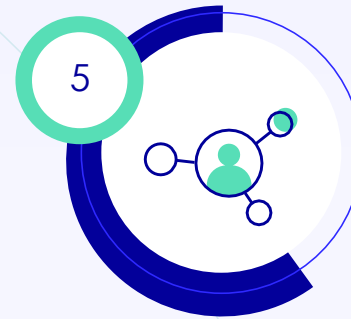
- Budget, Limited, Select service
- Full service
- Economy
- Luxury
- Extended stay
- Mid-scale



## 4 Star Categories

Hotel rating is based on a scale of 1-5 stars, 5 stars means the highest level of services, 1 star means the most limited/lowest service standards.

Five-star system helps to classify hotels according to their quality and makes it easier to compare hotels



## 5 Ownership and Affiliations

Independent vs Single Owner vs Chain Hotels or any combination



Lodging Insights: How does the business work?



**Selling the right room,  
to the right customer,  
at the right time,  
for the right price,  
via the right distribution channel,  
with optimal cost efficiency.**



Revenue management is used to optimize a hotel or resort's financial results by maximizing revenue. Revenue management is considered important because it takes the guesswork out of key pricing decisions.

# Types of Lodging Roles

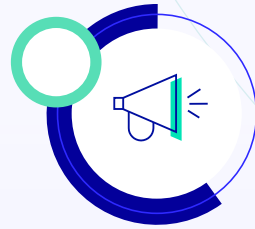


# Types of Lodging Roles: Hotel & Corporate



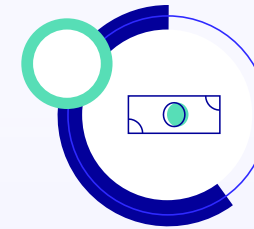
## Sales

- Group
- Corporate
- Crew
- Banquet & Catering
- Meetings & Events



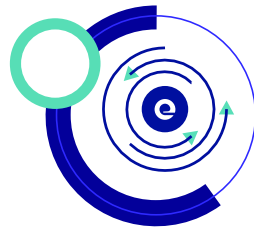
## Marketing

- Media buying
- Organic/Social Media
- Creative
- Content generation
- Relation Management
- Branding
- Interior design



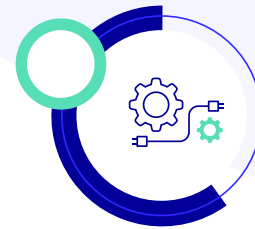
## Revenue

- Pricing & Yielding
- Forecasting



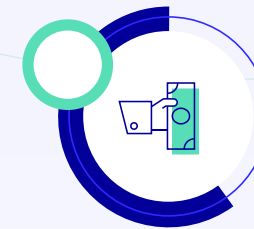
## Distribution

- Connectivity
- Systems



## Operations

- General Manager
- House Keeping
- Maintenance
- Customer Service
- Health & Safety



## Finance & Human Resources



## Food & Beverage



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