



THE CRUCIAL ROLE OF AN OWNER REPRESENTATIVE IN REVIEWING A HOTEL MARKETING PLAN

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A well-executed marketing plan is crucial to the success of any hotel or resort. However, the importance of having an experienced owner representative review and evaluate the marketing plan cannot be overstated. An owner representative's involvement in the marketing process brings a strategic and financial perspective that ensures the plan aligns with the ownership's overall objectives for the hotel investment. The following strategies are a sampling of the role of an owner representative throughout a hotel's marketing plan process.

1. Strategic Alignment Strategy

An owner representative plays a pivotal role in ensuring that the marketing plan is in line with an owner's strategic objectives for the hotel investment. By reviewing the plan, the owner rep can assess whether the proposed marketing strategies and initiatives align with ownership's long-term goals for the property. For example, an owner representative might view marketing expenditures differently based on whether the owner intends to be a long-term or short-term holder of the asset. This strategic alignment ensures that marketing efforts are focused on maximizing revenue, enhancing profitability, and delivering a strong return on investment.

2. Financial Strategy Considerations

A key responsibility of an owner representative is to safeguard the financial interests of a hotel's owner or investor. When reviewing the marketing plan, the owner representative evaluates the proposed marketing budget, cost projections, and anticipated return on marketing investments. They provide financial oversight to ensure that the marketing initiatives are prudent, viable, cost-effective, and aligned with ownership's overall financial goals for the property. The owner representative's input helps strike a balance between marketing expenditures for items such as advertising, public relations, customer acquisition costs, and payroll, ensuring such expenses have a payback through revenue generation, thereby ensuring optimal financial performance.

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3. Risk Mitigation Strategy

Effective risk management is an essential aspect of ownership's asset management efforts. When reviewing the marketing plan, the owner representative identifies potential risks and opportunities associated with proposed strategies. They assess the feasibility of the marketing initiatives, considering factors such as market conditions, competitive landscape, and industry trends. For instance, management may recommend adding a Tour & Travel Sales Manager at a cost of \$100,000 annually and is budgeting an additional \$2 million in annual room revenue in that segment. A savvy owner rep should evaluate the likelihood of the additional \$2 million revenue actually coming to fruition with the goal of assessing whether the risk of committing the expense is worth it. By analyzing the potential risks, the owner representative can suggest adjustments or alternative approaches to minimize potential pitfalls and maximize opportunities for success.

4. Performance Evaluation Strategy

The owner representative's involvement in reviewing the marketing plan allows for effective performance evaluation and accountability. They establish key performance indicators (KPIs) and metrics to measure the success of the marketing initiatives. For example, if the strategy is to increase RevPAR Index (RPI) from 100% to 110%, the owner representative will establish weekly, monthly, and quarterly metrics to track progress. Such measurements may include week-over-week RPI gain, change in RevPAR ranking, year-over-year growth, etc. By monitoring and analyzing the plan's performance against these metrics, the owner representative can assess the effectiveness of the marketing strategies, identify areas for improvement, and make data-driven decisions. This ongoing evaluation ensures that the marketing efforts remain aligned with the hotel owner's objectives and can be adjusted as needed to drive better results.

5. Market Expertise Strategy

Owner representatives bring a wealth of market knowledge, best practices, and industry experience to the table. Their deep understanding of the hospitality landscape enables them to provide valuable insights and recommendations during the review process. They can identify emerging trends, market opportunities, and potential challenges that may impact the effectiveness of the marketing plan. Leveraging their expertise, the owner representative can guide the marketing team towards implementing strategies that are tailored to the unique needs and dynamics of the market, enhancing the plan's overall effectiveness.

A STRATEGIC PERSPECTIVE

The involvement of an owner representative in reviewing a hotel marketing plan is a critical factor in ensuring its success. With a strategic and financial perspective, the owner representative leans on past experiences with a wide variety of operators, brands and markets, taking an owner's perspective. The advisor ensures that the plan aligns with the property's long-term or short-term objectives, that strategies are attainable and probable, that performance is tracked and measured, and action plans are adjusted as necessary based on changing conditions. By collaborating closely with the marketing team, the owner representative strengthens the plan's effectiveness, optimizes financial performance, and enhances the overall success of the hotel investment.



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The Plasencia Group offers Owner Representation consulting, including a full suite of traditional asset management services. Boasting over thirty years of experience in the lodging industry, our representatives possess a vast knowledge base from dealing with arguably every type of scenario imaginable. Serving as your eyes and ears on the ground, we offer hospitality owners and investors objective, unvarnished opinions, and guidance to help preserve and enhance the value of your investment.

Visit tpghotels.com/owner-representation for more detailed information about Owner Representation, as well as our full slate of services for the complete lifecycle of a hotel asset – from acquisition to disposition. To speak with one of our Owner Representation specialists and explore opportunities to enhance the value of your hospitality asset, please call us directly at (813) 932-1234 or email our CEO, Lou Plasencia.

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About The Plasencia Group

In 1993, The Plasencia Group was formed to provide hotel and resort owners investment advisory services at a personal level. Thirty years and hundreds of engagements later, we still have the privilege of making our clients successful with the passion, access, and certainty they've come to expect. Our firm offers investment sales, owner representation, development and renovation management, debt and equity sourcing, and advisory services to hotel and resort owners throughout North America.

Contact us today if our experienced advisory team can assist you in evaluating your current portfolio and strategizing for the weeks and months ahead. We look forward to the opportunity to serve you.

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