THE OVERVIEW

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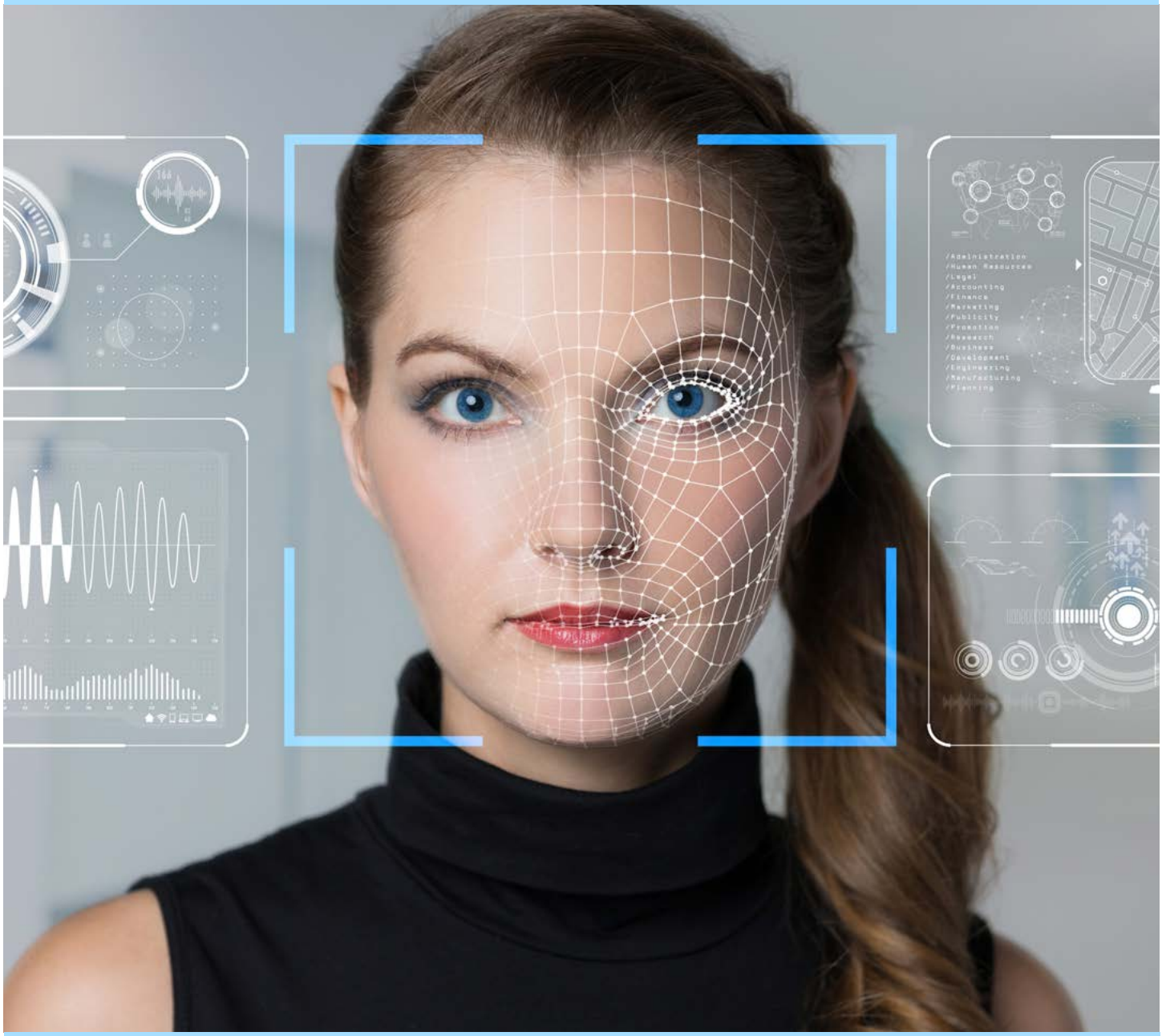
AI brings back the human touch



Mental health and hospitality

Honour for HOSPA Fellow

Welcome to THE OVERVIEW

Hotels can't do F&B. An opinion I heard twice in the same day earlier this month; once from a consultant and once from a hotel operator. And it's true. The first thing which pops to mind when considering hotel F&B is the breakfast fry-up, the consumption of which is legitimised by it being, well, there. The chances of the same guests reappearing in the restaurant at any other time of day are limited, unless the hotel is in a desert.

So why bother? For one thing, necessity. Figures from Hotstats showed that growth was coming from rooms revenue in May, but not from F&B. With costs, largely payroll related, on the rise, and more supply coming into the sector (and the bounce from the weak pound likely to tail off) other levers need to be pulled. And all those tables and chairs would surely like something to do for the rest of the day.

At Minor International, the group has been buying in expertise, taking a stake in the upscale group Corbin & King as well as licensing the Benihana brand. The group, which recently took a majority stake in Spanish hotel operator NH Hotels Group - so expect to see a lot more of it in Europe - is open to putting these restaurants, not just in their own hotels, but any hotels.

Given that the heavily-branded high street is having something of an issue with its restaurants at the minute, with Carluccio's the latest (at the time of writing) to look to close stores as part of a CVA, one wonders whether there isn't some solution to be found which can fill those empty seats outside breakfast time and let both parties share in the joy of their collective branding.

Katherine Doggrell

Editor | katherine.doggrell@hospa.org

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Hospitality Finance, Revenue and IT Professionals

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Have confidence in your fire safety arrangements

On June 11th we held a members' meeting at the lovely Bulgari Hotel in London's Knightsbridge.

The topic for discussion was different payment methods that hoteliers might want to consider accepting in order to open up new markets. For example, the Chinese use wallets such as Alibaba's Alipay and Tencent's WeChat Pay, rather than the standard credit cards that are so familiar to us. Following the presentations there was a lively discussion where the experts were able to share their knowledge and experience with the audience. We were grateful to have the event sponsored by Elavon, a provider of Merchant Services and have expert speakers from both Elavon and CMSPI, an independent payments consultancy. Over 100 delegates were registered, which is great news for HOSPA members and sponsors. As these events grow, the opportunity to network with colleagues in the industry increases.

The feedback from delegates on the Bulgari Hotel was so positive that we have now confirmed it as a venue for our Christmas lunch! For many years, we combined the HOSPA professional development awards with our Christmas celebration. However, in January 2017 we relaunched the professional development awards as an afternoon tea event; an event that has now run successfully for two consecutive years at the Hilton on Park Lane. In 2019, the awards ceremony will again be afternoon tea, but with a change of venue to The Jumeirah Carlton Tower Hotel.

With the afternoon tea and the festive season being in such close proximity, it seemed sensible to remove our Christmas lunch from our events calendar, which we did in 2016. However, the lunch has been sorely missed by many members, so we are delighted to be relaunching our Christmas event. The new format will be focused purely on fun, with it effectively being an end of year party with industry colleagues. The aim will be for guests to spend time with colleagues and suppliers while simply enjoying the occasion. We are selling tables of 10 as well as individual tickets. Please get in touch with us at hospa@hospa.org if you would like to book your places.

Whilst on the subject of lunches, each year HOSPA hosts a small lunch to say thank you to the sponsors who contribute most to the organisation. As a 'not-for-profit' we rely heavily on sponsors to enable us to continue delivering value to our members. This year we were excited to experience the opulence of the newly refurbished Mandarin Oriental Hotel. When news of the fire broke a week before our planned event, we were devastated on so many levels. Firstly to see such a beautiful hotel in flames, but also because we have many members, friends and colleagues working there. How devastating it must have been to see your place of work ablaze.

The efficiency of the staff at the hotel ensured that the guests were evacuated safely and looked after exceptionally well. Thank goodness there was no loss of life or serious injury. Local luxury hotels opened their doors to accommodate staff that afternoon and evening, as well as look after the Mandarin Oriental's guests. As ever the industry pulled together to help a bad situation recover as quickly as possible.

Of course, we had to relocate our lunch. I was amazed and impressed to receive a call first thing the following morning from the Director of Events offering to find a new venue for us. With HOSPA's connections we immediately knew that we would be able to find another venue ourselves. We declined their kind offer of help as we had no intention of adding to their long to-do lists in the wake of the fire, and set about sorting a new place for lunch. I was inundated with offers - I do love this industry - and we ended up at The Rosewood Hotel which has to be one of my current favourites in London. We were very well looked after and everyone seemed to have an excellent time. We are grateful to the team at The Rosewood for accommodating us so well and at such short notice. Hopefully we will reschedule at the Mandarin Oriental next year!

Returning briefly to fire and the risk it can pose to hotels, in October we are running an event in conjunction with Keystep at The Rubens at the Palace Hotel. We will have some expert speakers presenting a session entitled 'Smoke and Mirrors.' You can register now, and on the night you can find out what you need to do to keep your guests safe and secure while they stay with you. Our expert panel will cover fire safety, electronic lock systems, fire regulations, CE marking, physical security and dealing with emergencies. You can see Andrew Evans' thoughts on this on page 7.

A fire is such a devastating occurrence for any hospitality venue and it's important that we take such a possibility seriously, no matter how remote it may seem - so I really would urge you to consider attending the event to make sure you're confident in your fire safety arrangements.

Henry Rouse

Commercial Manager, Hoseasons Ltd
Winner: Revenue Management Level 2, completed September 2017

Henry commenced the Revenue Management programme in September 2016 and became the prize winner for Level Two for achieving the highest combined course work and examination grades. He has now completed the programme and became an Associate member of HOSPA in March this year.

After completing a BSc Management at the University of Worcester, Henry's career started in the leisure industry as a windsurfing instructor in the Mediterranean, working for Neilson Holidays.

Since then, his career has taken a slightly different tack. He continued to work for Neilson Holidays at their Head Office in Brighton as a Business Development Executive, before the opportunity arose to move to Japan to work as a Hotel General Manager for a small independent luxury Hotel Management business. A few years later he returned to the UK and joined the holiday park industry as a Revenue Manager in Devon overseeing the accommodation hire business across eight holiday parks.

Early in 2017, and a couple of months into his studies, Henry says an opportunity arose to join an exciting forward-thinking business and to expand his skill set and knowledge in the industry - and he joined Hoseasons Ltd.

As Commercial Manager, Henry's role is to oversee six Revenue Analysts tasked with manipulating prices of thousands of units on a dynamic pricing platform. The goal being to ensure that the accommodation hire trading (and primary revenue stream) responds according to the market, matches forecasted pace, provides year on year growth to partners and that the business profits continue to grow.

Henry says that the course has enabled him to apply academic grounding, theory and background to concepts and issues that he comes across every day, as well as providing industry proven and researched ideas and business solutions. He has also encouraged two of his team members to undertake the Revenue Management programme, and he is acting as their in-house mentor.

Studied in three steps - Introductory, Operational and Strategic Levels - the HOSPA programmes in Financial Management or Revenue Management cost £820 + VAT per Stage and enrolments are being accepted now for the September 2018 programmes. Contact education@hospa.org or visit the website at www.hospa.org/education.

Welcome to our new Associate Certified Members

Congratulations to the following learners who have this month successfully completed their studies and who are now awarded Associate (Certified) membership of HOSPA:

Jose Benitez	Haymarket Firmdale Hotels
Anthony Haworth	Eastwood Hall Hotel
Suresh Perera	Holiday Inn London Kings Cross
Monika Hyde	Quay Hotel & Spa, Deganwy
Amy Kimbel	formerly Principal Hotel Company
Heerah Sookun	Hilton Mauritius Hotel & Spa
Antje Henze	De Vere Venues Latimer Place

Double congratulations to Monika who gave birth to a baby girl last month!

And good luck to all current learners taking their exams on 17th July!

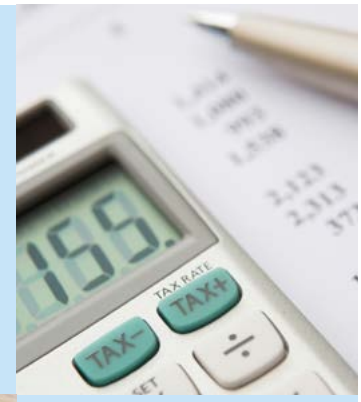
Meet the Professional Development Team

Calling all heads of Financial and Revenue Management divisions - the Professional Development Team are available to meet with you and your team members, cluster controllers and revenue executives to provide information about the HOSPA professional development programmes.

Enrolment for September start date begins now!

We can visit you and present at your next team meeting.

Please email education@hospa.org.



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- Leads to HOSPA Associate (Cert Finance) membership of HOSPA on completion
- Is convenient and relevant to your career in hospitality finance

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Honour for long serving HOSPA Fellow - Dr Cathy Burgess

We are delighted to report that our very own Cathy Burgess was recently honoured with the award of Honorary Fellowship for the Council of Hospitality Management Educators (CHME) at their recent annual conference hosted by the School of Tourism and Hospitality at Bournemouth University. The award was made in recognition of her huge contribution to teaching, practice and research to academia and the wider hospitality industry and was presented by Debra Adams, Head of Professional Development at HOSPA and arena4finance.

Professor Paul Barron from Napier University and Chair at CHME explained:

"We at CHME have the honour of presenting the award of Fellowship of the Council to a few select people every year as a means of recognising their contribution to Hospitality Management and Education. This year we made only one such Fellowship and are especially proud to present Cathy with this award in light of her continued support of hospitality education."

As many members will know, Cathy has been involved with HOSPA for almost 35 years, having joined a membership of less than 100 in what was then the British Association of Hotel (and then Hospitality) Accountants. She was Treasurer of the Association for some years, and later became membership officer. When BAHA became HOSPA in 2014 she continued as a Director until a couple of years ago and remains a member of the Professional Development group where she has been involved in the development and launch of the HOSPA Revenue Management courses as well as taking an active role in overseeing the ongoing updates to the HOSPA Financial Management courses. In recognition of her service to HOSPA she was elected an Honorary Fellow.

Cathy started her career with an HND in Hospitality Management at Leeds Polytechnic and then spent thirteen years in various operational and financial positions within the hotel and catering industries. Her later industry appointments were as a financial controller with the Marriott Corporation and Thistle Hotels, before joining Oxford Brookes University to teach financial management and supervise research projects to degree and masters levels students.

Her research interests include the role of the hotel controller, stakeholders and middle managers, and corporate entrepreneurship. Much of her research has been conducted using the BAHA/HOSPA members, either through a five-yearly survey or by talking to individuals about their experiences and opinions of the industry. This work contributed to her being awarded an MPhil and then a PhD in 2015.

Cathy has always been passionate about developing students finance skills to help them to become better managers, without the need to be `good at accounts'. She wrote the popular text 'Essential Financial Techniques for Hospitality Managers' (2014, Goodfellow Publishing), a `how to' book designed for practicing managers in industry, as well as several management guides for the Institute of Hospitality

Her recent (semi) retirement means that she has been able to spend more time trying to ignore the weeds in her beautiful garden in the Cotswolds.

Useful links

www.chme.org.uk/

www.hospa.org/education

www.brookes.ac.uk

www.arena4finance.co.uk

Fire Safety, a burning Issue for hoteliers

Fire crews work to try to save historic buildings as flames consume the Royal Clarence hotel.

You might be shocked to learn that there have been 8 major hotel fires in the UK over the last 12 months, including the fire at Cameron House, which left 2 dead and The Mandarin Oriental in Knightsbridge, which due to a speedy evacuation meant 36 hotel guests and 250 members of staff escaped without injury.

There are over 45,000 hotels in the UK and fire safety should be of paramount importance, not least because non-compliance with legislation can result in loss of life, loss of revenue, fines and imprisonment. The impact of fire can be catastrophic, most hotels that have a severe fire cease to trade within 6 months of the fire.

Being responsible for a hotel, your primary concern is that your guests enjoy their safe stay. Fire safety in hotels is delicate: You have to protect various areas with different environmental conditions (guest areas, Kitchens, staff areas etc.) You need devices that quickly detect the first sign of fire and lead your guests safely out of the danger zone. At the same time, the fire protection system has to be highly reliable because nothing can be more annoying than a false alarm.

People are particularly vulnerable to the effects of smoke and toxic fire gases when they are asleep. Those doing so in hotel bedrooms are especially at risk, as they are probably not very familiar with the premises and associated escape routes. They may be tired after travelling for many hours, they may be deeply asleep having gone to bed late or having consumed alcohol - all of which might leave them in a disorientated state when first awakened by the sound of a fire alarm.

People's vulnerability to fires in hotels was recognised in the UK after the Rose and Crown hotel fire in Saffron Walden in 1969, which resulted in 11 deaths. This led to hotels and boarding houses being the first premises to be designated as requiring a fire certificate under the Fire Precautions Act 1971.

From small B&Bs to large hotels, the main legal responsibilities are the same. Hotel owners and managers need to be aware of the Fire Safety Order (FSO); the current law in England and Wales. The FSO nominates one individual as the 'Responsible Person' for a building - generally deemed to be the owner, occupier or employer.

Quite often a hotel manager can be the designated 'Responsible Person' without knowing it and without any fire safety knowledge or training. However, just because they are listed as the 'Responsible Person' doesn't mean they need to know everything about fire safety; someone else can be nominated to be a 'Competent Person' for the premises and receive training accordingly.

The 'Responsible Person' has a duty to fulfil the requirements of the FSO. Those requirements all stem from having a suitable and sufficient fire risk assessment. The hotel manager will need to prove that they have reduced fire risk as far as is reasonably practical and show that they have taken precautions to protect its guests and employees.

Employees need to be made fully aware of the hotel evacuation strategy in order to be able to put this into practice in the event of a fire alarm sounding. The better trained your staff are, the calmer they are likely to be in the event of a fire, which can help save lives.

Do You Comply?

Non-compliance with the FSO can have serious consequences, as one hotel owner discovered at his cost. In May 2014, Manjit Takhar, owner of the Bescot Hotel in Walsall, was jailed for 12 months for breaching fire safety regulations. An investigation into the premises revealed the fire exit on the first floor had been blocked by mattresses, in addition the fire alarms were deemed to be faulty. Obstructions were also discovered on the landing and the emergency lighting was inadequate.

The Derby Telegraph reported how a routine Fire Safety Audit of the International Hotel in Derby revealed a series of fire safety lapses, which were repeatedly ignored after several visits and warnings. The lease holder and operator pleaded guilty to four breaches of the Regulatory Reform (Fire Safety) Order 2005 and was sentenced to six months in prison, a £40,000 fine and £20,000 in costs.

The Future of fire regulations

Fire safety has never been under so much scrutiny after so many high-profile fires in large buildings from the Grenfell tragedy to the fire at the Glasgow Arts School. It is only a question of when the fire regulations will be overhauled, not if! At the moment only, new builds or refurbishments need to comply with all the current regulations. It is likely older hotels will have to comply with any current regulations and that fire inspections will be more frequent and stringent.

The current regulations and standards in place to ensure the effectiveness of fire doors fall short of where they need to be and as a consequence, lives are potentially put at risk. It is likely legislation will be introduced to enforce a minimum 6 or 12 monthly inspections of all fire doors in multi-occupancy properties with evidence submitted to an appropriate authority that inspection and continual maintenance has been completed by a qualified independent person.

All our Opendoor Electronic RFID Locks pass a stringent fire safety test in a laboratory where a door with one of the locks fitted is burnt to destruction. No matter who you use for your door locking system in your hotel make sure you have locks that have passed EN 1634-1:2014 - Fire resistance & smoke control for a minimum of 30/60 minutes. We also fit a fire Intumescent Fire Protection Kit around our locks, this is something you should also check with your lock supplier especially for new installations. As part of our support service we offer a full audit of fire doors and can help and advise on any remedial works that may be required.

Fires are a hotelier's worst nightmare. They damage property, injure employees, put people out of business and take lives. If the worst should happen right now, how confident are you that your evacuation plan and fire safety equipment would perform? If you have any doubts you should take immediate action.

For more information, email Andrew Evans (CEO of Keystep Solutions) at andrew.evans@keystep.co.uk

Tickets now on sale for HOSPACE 2018

Hospitality professionals are being encouraged to sign up for this year's HOSPACE event, which promises to offer cutting-edge insight into the latest issues and developments currently affecting the industry.

Booking for both delegates and exhibitors is now open for this year's annual event, hosted by HOSPA, the UK's leading educational organisation for both UK and international professionals involved in Financial Management, Revenue Management and IT within the hospitality industry.

The one-day conference will once again take place at the Royal Lancaster Hotel in London on Thursday, 1st November.

There are also a number of sponsorship opportunities available. Sponsorship provides an invaluable platform to get your brand seen by hundreds of hospitality professionals during the event and on the HOSPACE website, while sponsoring the prestigious leadership awards gives brands the opportunity to inspire the next generation.

During HOSPACE 2018, an international line-up of inspirational experts will be on hand to share their expertise on the latest key financial, revenue and IT management issues and developments, as well as the commercial aspects that connect these together to maximise profitability and create value.

Highlights of this year's event include: panel discussions on the influence of branding; the impact of leaving the EU on the hospitality industry; plus some of hospitality's most successful women will discuss the future for women working in the industry. There will also be a programme of industry specific workshops and technical updates, led by top specialists in their subjects.

The day will be rounded off by a special discussion, as HOSPA president Harry Murray and The Royal Lancaster's Sally Beck are put under the spotlight by Peter Hancock, in 'When Harry met Sally'.

Jane Pendlebury, chief executive of HOSPA, said: "HOSPACE is always the most anticipated event in our calendar and this year's conference is expected to be yet another highlight. It's a wonderful opportunity for delegates from within hospitality to come together and further their knowledge, while learning from some of the best-known and most influential names in the industry.

"We do hope as many people as possible will choose to join us this year. As well as delegates, we still have a number of exhibition and sponsorship opportunities available so we're very much looking forward to sharing details of the line-up as it is announced over the coming months."

As in past years, HOSPACE 2018 will be supported by a growing and increasingly influential exhibition of hospitality technology solutions, providing delegates with a 'one stop shop' to view and interact with the latest and 'best in class' technologies. These will cover all eventualities for any hospitality business, whether they be start-up, established independent, or multi chain-owned operations.

As well as a learning experience, nominations are also open for the Professional Of The Year Awards, which will be announced and presented at the Gala Dinner.

If you know a hospitality professional who is dedicated to the hospitality industry and has made an impact on others in the industry; or an employer who operates in the hospitality industry and has demonstrated an outstanding commitment to promoting and investing in education, you can nominate them for one of the prestigious awards.

To nominate an 'Inspirational Leader' in IT, Revenue Management, Finance or Marketing, visit http://www.hospace.net/ to access the nomination forms.

HOSPA members will receive discounted delegate prices to HOSPACE 2018. To enquire about this and other membership benefits, email hospa@hospa.org or call (0) 203 418 8196.

For more information on HOSPA, please visit http://www.hospa.org

WATCH - HOSPACE 60 second overview:
https://vimeo.com/272550548

For further information, please contact:
Liz Bowen or Jess Seal
liz@picpr.com / jess@picpr.com / 01386 882474

Hospitality's mental health struggle

The first week in May was especially difficult. It was a dark week. We lost two lovely chefs. They decided that life was no longer worth living. We didn't see it coming. They both seemed just fine. Bright, sparky as always, funny and full of fun. Two vibey and talented guys. But, they chose an optimistic sunny day in Autumn to end it. Life was just too painful. Who knows what joys they will miss, the success not experienced, the friends not met. A tragic loss, and now, as I write this, I hear of the suicide of world renowned chef and author Anthony Bourdain. Devastating.

Recently, I've been in conversation with chefs about mental health challenges. It's not that chefs are a special study group on depression and anxiety, I don't have any statistics to refer to and I am not a psychologist, I just talk to people. But, anecdotally, we have a massive problem in our society and our culinary community. The hospitality industry tends to attract deeply creative types. The work is arduous and does not always allow for a healthy balance in life. Along with musicians, artists and writers, chefs appear to be a particularly vulnerable group.

The 'black dog' of depression, as Winston Churchill called it, is a bitch to shake off and a silent, lonely struggle. All people suffer from low moods occasionally, we are happy and sad 'cos we are human. But, I am not talking about being down in the dumps here. I am speaking about a crippling dark abyss. A foggy and fearful place where light has no dwelling, where the pain of hopelessness rules supreme. A place that sucks all energy, decimates joy and annihilates happiness. An inescapable labyrinth in a tortured mind without a skylight to see out or in. I know that place, I've visited it and I'm not going back.

Mental illness never discriminates. Its victims can be wealthy and successful and appear to have perfect lives, like Anthony Bourdain. But, when the mind is in such turmoil the black dog's prey looks for an escape. Tragically, this escape is often suicide.

'Selfish!', some people say. It's not. A sufferer can be in such mental pain that the belief that they have no place in the world is wretchedly dominant.

They say it's easy to snap out of it, to overcome the temptation, to end the hurt, to simply put on a Disney style happy face, click your heels and be magically transported to a place where all is safe. I only wish it were that uncomplicated.

Most employers and colleagues don't see that mental illness is life threatening. Sufferers are often afraid to talk about it lest they lose their job or be branded an employment risk. A nutter, mad as a hatter, bonkers. Stigma stops people coming forward and opening up.

Unlike other illnesses and dread disease, the symptoms of mental illness and depression are hard to see - there's no plaster cast or scar from an operation. For some victims simply getting out of bed and making it to work takes courage and mind over matter. Attaching a cheery façade to mask the sadness of desperation is a daily make up routine for many.

Research shows that many mental health conditions are caused by a combination of genetic, biological, psychological, and environmental factors - not personal weakness or a character defect.

Chefs, we need to talk about mental illness now! Look around you. At least one member of your brigade is battling with something. We need change in our kitchens. The long hours, the relentless pressure, the often-conflict-ridden environment is a potential breeding ground for anxiety, mental illness and life-threatening depression.

Let's not be afraid to talk and create an environment where it is possible to do so.

A person living with a mental illness will tell you that being able to talk is a life saver. The first step on the road to recovery is to ask for help. No person should feel shame in saying "I am not coping, I need help" to a colleague that one can trust. Getting the treatment needed starts with a simple conversation and an empathetic ear.

Listen, help your buddy talk it out. Support his or her struggle and be compassionate, have patience but don't try to be a psychologist. Help them get the support needed.

Let's not lose any more gifted chefs and friends. Let's take care of each other.

Please keep an eye out for changes in behaviour:

- Tiredness and loss of energy
- Complaining of sleeping problems
- Sadness that doesn't go away
- Loss of self-confidence and self-esteem
- Changes in personality
- Difficulty concentrating at work
- Increase in errors
- Not being able to enjoy things that are usually pleasurable or interesting
- Avoiding other people
- Loss of appetite and weight

About the author

Stephen Hickmore studied hotel management in the UK, graduating from Clarendon College in Nottingham with the National Diploma in Hospitality Management. Stephen obtained his first management position as Banqueting Manager at the Dukes in Kings Lynn at 20 years old. By a twist of fate, a year later, he was transferred to set up the personnel and training department at THF's only hotel in South Africa. After three years Stephen returned to the UK with THF, but after a year returned to South Africa to join Southern Sun Hotels. Stephen held positions in Human Resources Management with the group until joining the world of hospitality recruitment and HR consultancy 25 years ago. During the past 20 odd years Stephen has established recruitment consultancy and search firm "Hickmore Recruitment". Hickmore Recruitment works closely with key players in the industry to identify hospitality professionals. He is a co-founder of the largest full-service outsourced staffing company in South Africa, HSC (Hospitality Solutions Company) More information on Stephen and his ventures can be obtained at www.hospitality.co.za

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Bringing the human touch back to hotels

How Artificial Intelligence Will Bring the Human Touch Back to Hotels

Artificial Intelligence (AI) Without the Technicalities

The problem with all new hotel technology, unfortunately, is that innovation gets turned into buzzwords quickly, usually in order to sell more products and services. Even worse, all these buzzwords are thrown into the same marketing pot, creating a vast confusion that only "experts" can understand.

With this article and accompanying infographic, we will demystify this subject of artificial intelligence (AI) and explain, in plain terms, what it is and what it means for hotels. This guide was created with the intention of clarifying the most important terms and concepts related to artificial intelligence and shedding some light on what AI really means for hotels, without technicalities and by providing easy-to-understand industry examples.

Using AI in Hotels, Assisting Staff and Guests

"What is a lobby boy? A lobby boy is completely invisible, yet always in sight. A lobby boy remembers what people hate. A lobby boy anticipates the client's needs before the needs are needed". This quote, from the critically acclaimed movie by Wes Anderson, The Grand Budapest Hotel, summarises what the human touch of (great) hotels actually means: staff invisibility and anticipation of guest's needs. Ultimately this is what makes a good hotel great. And this is, de facto, what hospitality is all about.

But, as the volume of guests increases and the hotels get bigger, the notion of hospitality tends to become more industrialised and less personal, until it eventually loses all of its humanity and personality. In mega hotels and big chains, that unique human touch becomes an expensive commodity, and a one-size-fits-all approach may end up being the prevalent trend. But here is where, AI kicks in: If a hotel struggles to offer their guests a tailor-made experience, then management only needs to make its human touch more scalable.

Imagine, for example, a system alerting the hotel about the expected arrival time of a guest. The guest's room should be ready before a specific time, the Valet (knowing the car's registration) could greet the guest by name, and the front desk would have all the elements to start a memorable and highly personalised check-in experience. Or if a guest is arriving late in the evening, the system would email the quest the room-service menu in case the guest wants to order something to eat upon arrival. These are perfect examples of how a great first impression can really win a customer over.

This tailored experiences based on known data, is what a hotel website should also be focused on, as it is often the first point of contact with the guest.

This is not deep AI, but merely examples of how a handful of smaller improvements can help transform an acceptable guest experience into a great one.

What Happens to Humans and Jobs When AI Arrives?

In the publication "The Future of Employment: How susceptible are jobs to computerization?", authors Michael Osborne and Carl Benedikt Frey estimate 47% of U.S. jobs are at "high risk" of potential automation. The fact is, any repetitive job is at risk of being replaced by machines.

Even though this trend is unlikely to impact the hospitality industry in the same way, it is undeniable that replacing human interaction where it does not add any value, and increasing it where it does, is the optimum use of AI.

Hoteliers should let computers analyse trends and patterns in guest behaviour, so their staff can focus on the personal interactions, without the need to browse through tons of emails just to remember if Mr. Smith prefers a poolside or a streetside room.

Humans should focus on what they do best and let computers do what they do best. What about having hotel staff help guests to their rooms and checking up on a personal level how the guest is doing and using that to optimise the stay, rather than entering addresses and checking credit cards and scanning passports.

It is not a question of machines replacing humans (and, to be fair, this hasn't been the case, as technology has increased rather than reduced total employment over the years), but rather machines working together with humans, on the fields they are respectively best at.

AI Researcher François Chollet once wrote that "the intelligence of an octopus is specialized in the problem of being an octopus. The intelligence of a human is specialized in the problem of being human". And we could not agree more. For example, Avvio's first AI development was to analyse user behaviour on hotel websites, in real-time, in order to optimise the design and information and thus enhance the user experience. No human could do that, but the result is a more personal experience for visitors.

Removing the Friction in Guest Experience

What hoteliers tend to forget is that, even though there are surely a lot of things that guests enjoy doing when travelling, such as relaxing by the pool or having a drink at the bar, there are others they do not.

Checking in after a long flight or checking out when one is already late for a meeting, for example, are definitely part of the latter. The intangible, yet precious human touch, in these cases, is close to irrelevant: guests just want to get to their room (or out of it) as soon as possible.

Joseph Weizenbaum, German-American Professor at MIT, wrote that AI "cannot, by definition, successfully simulate genuine human empathy" and it is true, but a good part of the actions guests perform when in the hotel need no human empathy.

The bottom line is if a computer can do it, let it. Use your staff to focus on situations where the personal interaction is critical. For example, hotels typically sit on large amounts of data, and it would be cost prohibitive to have people crunching the data to analyse trends, yet machines do that in seconds. Why waste human potential on this kind of task?

Artificial Intelligence in Hotels

While a lot of the current uses for artificial intelligence in the hospitality industry is related to revenue management, marketing, and advertising, there are many other possible applications. It can be applied to optimise housekeeping, by approximating early check-in or late check-out needs or predict maintenance work to be done in rooms. Little things, such as estimating when to refill soaps, can reduce time spent by staff knocking on doors and improve the guest experience. Not to mention, optimise inventory management.

Customer experience can benefit from AI as well: think about pre-set room temperature based on guest preferences or voice-activated room service, rooms control, music, and TV. AI could predict estimated guests arrival time based on their nationality, and Housekeeping can prioritise room availability accordingly.

When Avvio added AI to hotel websites and booking engines, to optimise guest experience and conversion rate, we saw how an accumulation of many tiny improvements resulted in increased efficiency and revenue for hotels. Artificial Intelligence in hotels isn't about one "killer app" that changes everything. Much like hotels themselves, there are dozens, if not hundreds, of smaller improvements that make the experience better.

The Basics You Need to Know

We've sat down as a team at Avvio to work out easily understandable definitions for all the AI terms that are often thrown around by professionals, in articles or promotional materials. We have done our best to keep the definitions simple while dealing with a relatively complex subject. These are the fruit of many experts at the company who work with AI in hospitality every day.

AI is a broad subject, in terms of technologies, it is best viewed as a category comprising many branches of technology. The term tends to be defined using complex words which are themselves unclear and are often branches within the broader category of artificial intelligence.

According to the Merriam & Webster dictionary, artificial intelligence is:

"1. A branch of computer science dealing with the simulation of intelligent behaviour in computers;

2. The capability of a machine to imitate intelligent human behaviour."

A typical example in our industry is the use of AI in revenue management systems, learning and developing solutions to solve pricing or inventory issues. In order to better understand what AI actually is and what it is not, we created a short glossary for hoteliers, so that you can judge by yourself what is just hype and what is critical information.

We are listing the terms in an order that makes it easy to understand, instead of listing them alphabetically. This does not mean that what comes first is more important than what comes next, but it is merely a sequence based on the correlation between the concepts. If a specific term needed to be defined in order to understand another, then this was positioned higher in the sequence.

Algorithm

Any process or set of rules to be followed by a computer in order to solve a problem. It is loosely used to describe a software or part of a software that solves specific issues. For example, a simple algorithm to ensure that a hotel's rates are always in parity across all distribution channels would scan for rates and, if a disparity is found, it would adjust it or send an alert to the hotel.

Multi-Variance Testing

Multi-variance testings are all those systems set up to offer multiple solutions and, over time, measure which one is best. They are largely used by OTAs when experimenting with different colours, button placements or messages to evaluate if a specific variant is more efficient than another. The best one is then adopted. Even though this is not considered artificial intelligence, it is the method used by all AI systems to test, learn and improve results (in human terms we could call this trial and error). Computers have the benefit of being able to run thousands of tests simultaneously and much faster than humans.

Rule-based system

The term "rule-based system" presupposes the use of human-created rule sets. At its essence, therefore, these kind of systems are not really intelligent, just artificial. They are, in fact, entirely instructed by humans to respond with pre-programmed replies if specific conditions are met. Many basic chatbots use such systems today. If a guest asks what are the rates for next Friday, for example, the computer is programmed to reply with a preset answer. Even though these systems behave similarly to artificial intelligence, more often than not they simply react to preset rules and do not learn by themselves. A rule-based system is very similar to an algorithm, the term is often related to systems that can be managed by users, whereas algorithms are used when the system is programmed by an engineer.

Neural Network

A neural network (a.k.a. Artificial neural network or, simply, ANN) is an information processing model inspired by the human nervous systems. It is composed of interconnected computers (neurons) working in cooperation to solve specific problems. Imagine a large number of interconnected computers, all testing various options to achieve a shared goal (solution of a problem). For example: there are five computers constantly testing different approaches to, let's say, open a door. Meanwhile, another computer is overviewing and measuring the results, noting which method(s) have achieved the highest success. Each time one computer is succeeding more than the others, that method is sent to the 5 other computers until the problem is solved.

Machine Learning

Computer science as we know it has a big limitation, if we want a machine to perform a certain task, humans have to write a program with the instruction on how to perform it. Once done though, machines are usually faster and more accurate than humans. Problem is that, if we do not know how to perform a certain task, then we will not be able to write an adequate program. The ability of computers to progressively improve performance on a specific task ("learn") without being explicitly programmed by humans can actually break this limitation. This ability is called Machine Learning and can be achieved using neural networks or less sophisticated methods such as rule-based systems. Imagine a potential guest checking rates and availability on your booking engine. The computer notices that the abandonment rate is higher when the rooms are presented in descending price order but, by inverting the order, the abandonment rate drops significantly. Thus the system learns which is the optimum method of displaying rates.

Machine Learning Model

For computers to learn they need to be set up with a model, such as what are the success factors that they should monitor and learn from. There are different types of models: binary classifications ("will the user book the Junior Suite?" is binary because the answer is Yes/No), multiclass classifications ("which room type is the most interesting to this user?" will return one of several room types), regression model ("what rate will this room sell for?" will try to work out backwards the best solution) and so on. A typical example of a learning model can be found in online advertising: if the advertising platform is instructed that the most important objective is revenue, the platform can then begin to learn from its success and failure how to better display the ads in order to achieve the increased reservation value goal.

Network Intelligence

Network Intelligence is a machine learning skill that uses the power of many connected computers to learn. Because the system gets alerted that a change is happening on one computer it can optimise the other computers on the system. For example, if a system notices that there is an increase in visitors on several hotel websites (within the network) from Japan, it can inform or change the other websites on the network so they can be optimised for Japanese visitors during that time.

Deep Learning

Deep learning is machine learning at a much larger scale. It uses many more layers of Neural Networks and digs through vast amounts of data to find patterns within the data. This level of AI is rarely used in individual hotels. A common application of deep learning is image recognition or speech recognition systems that do this behind the scenes.

Recommender Engine

Also known as Recommendation engines, these are the algorithms or series of algorithms that have been programmed to analyse the information received from multiple machine learning programs and suggests changes to improve performances. For example: a recommendation engine would test different scenarios based on country, call to actions, etc. and then optimise the experience on the website and booking engine in real time, to improve conversions. If it analyses that visitors coming from Italy often search for information about breakfast, it would recommend changing the way the site looks by placing breakfast information earlier on the site.

Natural Language Processing (NLP)

"Natural Language Processing" (not to be confused with "Neuro-Linguistic Programming", which shares the same abbreviation), is the area of computer science and artificial intelligence that studies the interactions between computers and human languages.

One major difficulty in NLP is the ambiguity of human language, where the same term can have different meanings depending on the context. If being able to understand the meaning of words (when in context) is a relatively simple task for humans, computers process language in a whole different way, creating misunderstandings and confusion. Another common challenge in natural language processing is speech recognition. For example, if a user asks their Amazon Echo "Find me a hotel in Los Angeles", the NLP software would understand that:

1. The user is searching for something ("Find me")
2. That something is a hotel ("a hotel")
3. The hotel is in Los Angeles ("in Los Angeles")

Then, depending on the system's understanding of the subject and context, it would assume this is Los Angeles in South California and not in South Patagonia.

Chatbots

Chatbots are a method of interacting with computers through a chat platform. Some chatbots use artificial intelligence technology (mainly NLP technology) to process the data, but the majority currently rely on rule-based systems. They are evolving from simple ping-pong-style conversations towards actual conversations, and several big names in the industry have already adopted this technology to interact with guests. The most important element of chatbots isn't if they are using advanced artificial intelligence or rules-based technology, but how to use them to improve the guest experience. Today booking a hotel is still easier when done on a calendar rather than typing in or spelling dates. But asking for check-in time or an extra pillow might be much easier through a chatbot, rather than searching through the website to find the contact info.

Voice Assistants

Voice assistants are those systems that use voice as a means of interaction with a computer. Amazon Alexa, Google Assistant, Apple Siri and Microsoft Cortana are some of the most popular ones. They operate very similar to chatbots but with the added feature of being managed through speaking. These systems use many different types of artificial intelligence to learn how to improve voice recognition, understand language and soon distinguish accents. Once the sound (voice) is processed, it then needs to convert it into instructions for the computer. Simple commands like, "Play some music" or "Turn on the lights" work well. Longer and more complex conversations to book a trip still need more work.

Conclusions: Creating Tomorrow's "Wow!"

A passage from Amazon CEO's recent shareholder letter is quite fitting: "People have a voracious appetite for a better way, and yesterday's 'wow' quickly becomes today's 'ordinary.' I see that cycle of improvement happening at a faster rate than ever before. It may be because customers have such easy access to more information than ever before. You cannot rest on your laurels in this world. Customers won't have it."

Maybe artificial intelligence is not exactly what we may have thought a few decades ago, and it has more to do with statistical algorithms than with human-like machines but, still, "yesterday's 'wow' quickly becomes today's 'ordinary.'" The truth is that we already interact with AI on a daily basis, often without even realizing it. When Netflix has a movie suggested for you or you browse the Spotify's release radar, that's AI in action. It's just mathematics, but it sure looks like the human touch.

And human touch is what AI can bring back to hotels. Helping staff know and predicting what service or offer the guest will want before they manage to voice it. This will not happen overnight, but through dozens, then hundreds and then thousands of small innovations which are being tested and improved every day.

The goal, of course, is not to replace humans with machines, but rather to make sure that all those boring, repetitive day-to-day tasks are performed by machines so that humans can focus on what they do better: making today's guest experience better so we can continue to "wow" guests.

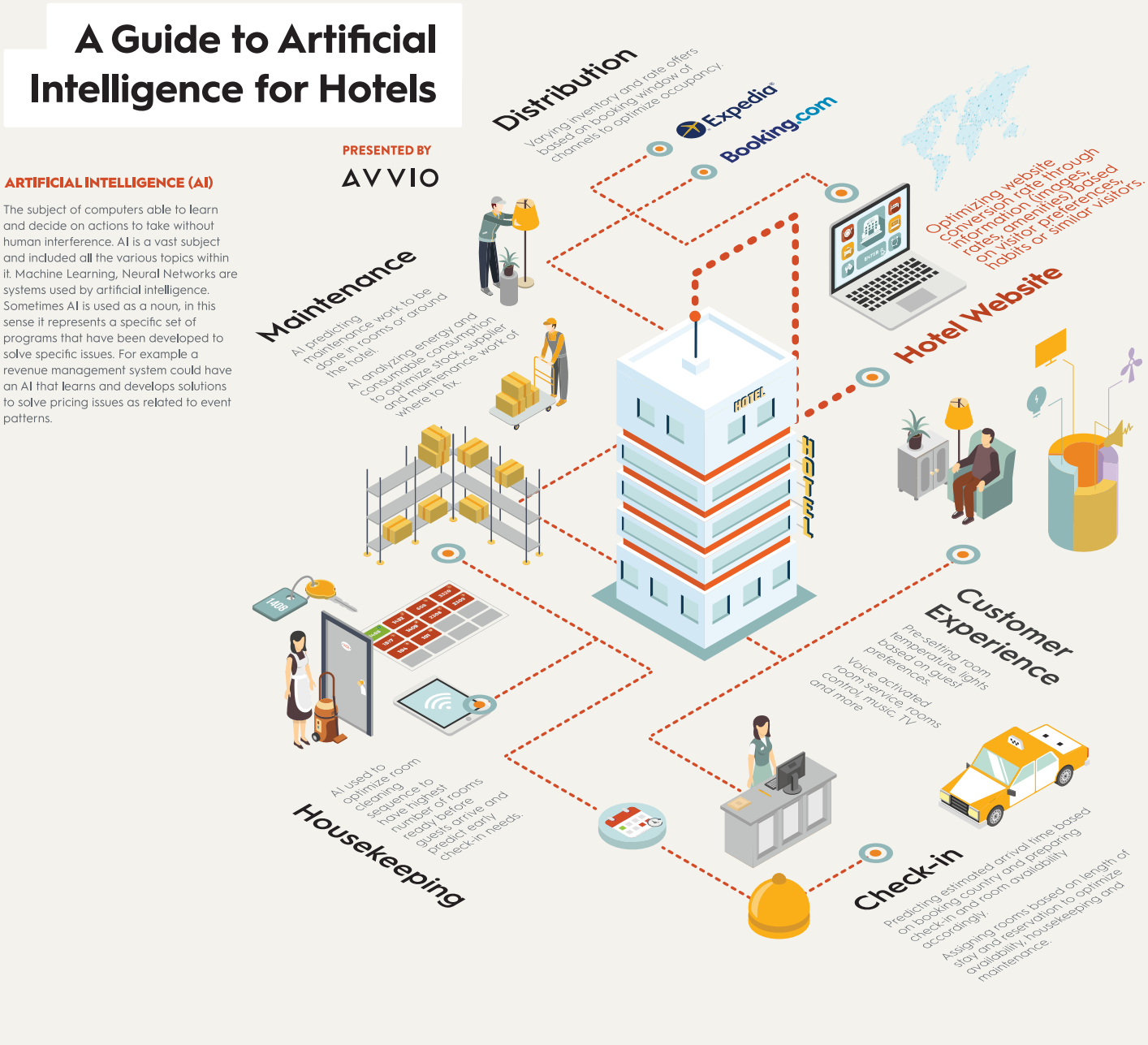
Avvio's Vision for AI in Hotel Marketing

We have been working with AI for several years; we demoed our first attempts at personalisation for hotel websites at HEDNA in 2009. We launched our research projects to scope out how we can improve the booking experience long before AI was hyped up as a major buzzword.

We recently launched Allora, an artificially intelligent hotel website, and booking engine. Our goal has never been building a high-tech booking engine, but rather working on personalising the entire process: good booking engines should be active, rather than passive, and, similarly, a good hotel website experience should be personalised, and not merely a digital brochure. We tried to bring that human touch out of the confines of the hotels to the whole travel experience: from the first interaction with the website all the way down to months or even years after the stay.

This is where AI becomes remarkably valuable, and not a simple buzzword.

Learn more about Avvio's services at www.avvio.com



Open All Hours?

Flexible workers are calling time on traditional hospitality and leisure hours.

- Britain's bars, restaurants and leisure clubs could make a further £6.75bn per annum by adapting opening hours to changing working patterns
- Over a fifth of British workers (22%) are calling for the UK's food, drink, hotel and gym businesses to change their opening hours
- Demand is being fuelled by almost six in ten (57%) British workers who now work extended hours, part-time, flexibly or according to a shift pattern
- 19% of British workers expect 24-hour services across the hospitality and leisure sector

As the traditional nine to five working day becomes less and less common, the times at which people want to go to the pub, grab a meal or work out at the gym are changing. A new report from Barclays shows that although over a quarter of hospitality and leisure businesses recognise this growing demand, opening hours are not keeping up with changes to modern working lives.

Since our leisure time has shifted, a quarter of workers would now like to go to a museum in the evening (between 6pm-11pm), over one in 10 (13%) film fans would choose to go to the cinema in the small hours (11pm-5am), and almost one in five (19%) late-night diners would choose to get a takeaway after closing time (11pm-5am). By responding to these changing demands, the British hospitality sector could benefit from a further £6.75bn1 a year in increased revenue according to research from Barclays.

The new Barclays Corporate Banking Hospitality and Leisure report, Open All Hours? finds that only a third (37%) of British workers now work traditional 9-5 hours, with over a fifth of British workers (22%) saying they need different opening hours. The report also finds that a similar number (19%) expect 24-hour hospitality services. By responding to this demand, restaurants (£2.2bn per annum), takeaways (£2.1bn), and pubs, bars and clubs (£1.2bn) could benefit the most.

Demographic differences

On average, Gen-Z workers (18-24 year olds) is the age group most frustrated that it cannot access hospitality services when it wants. A third (33%) of this 'on demand' generation say that they expect 24-hour services, compared to a quarter (25%) of millennials (25-34 year olds) and just 19% of 35-44 year olds. Over a third (34%) of 18-24 year olds explained the reason behind their demand for "out of hours" services as due to long working hours, compared to 30% of millennials (25-34 year olds) and 20% of 45-54 year olds.

The takeaway service industry is missing out on a £2.2 billion order

Whilst consumer demand isn't always being met, satisfaction with the availability of hospitality services varies across the sector. As Britain becomes more health conscious, gyms and sports clubs have been quick to adapt, with almost one in five (18%) hospitality and leisure business leaders surveyed already changing their opening hours. Pure Gym is one example of an agile business which has recognised shifting demands and adapted its business model to accommodate this changing dynamic. Pure Gym uses PIN-controlled access systems, smart lighting, temperature controls and extensive video monitoring to overcome the staffing issues that deter some businesses from after-hours opening. This has enabled 20% of Pure Gym's customers to work out during the night.

Takeaway services, on the other hand, have left nearly a third (32%) of workers hungry for more, having been unable to order a takeaway as the business was closed. While digital food delivery services such as Deliveroo, JustEat and Uber Eats, have provided customers and restaurants with an easy to use platform for home delivery, almost a third (32%) have been unable to get a takeaway. This desire to order a takeaway at unusual hours is even higher among young workers (18-24 year olds), with (37%) keen for delivery between 11pm and 5am. This opens up the opportunity for takeaway services to extend their hours, with customers willing to boost the sector by up to £2.2bn.

Commenting on the report, Mike Saul, Head of Hospitality & Leisure at Barclays, said: "Adapting to the changing consumer demand presents a substantial opportunity for businesses. Our research has shown that leisure operators could access a staggering £6.75bn per annum by accommodating their customers' evolving needs which have been brought on by changing working patterns. While that may be a challenge for some providers, understanding the value of the opportunity makes the prize more tangible.

"The current leisure environment does present a number of challenges for the sector's businesses; the labour supply is challenged by Brexit, rent increases and food inflation are all set within the context of an incredibly competitive market which is already heavily discounting. However, those that don't adapt to this type of newly developing consumer demand risk being left behind and in this ever-competitive environment, businesses need to weigh up the value of the long-term opportunity over the cost of the short-term investment."

What's holding businesses back?

Although the research reveals that seven in ten (69%) businesses surveyed have received requests in the last 12 months to extend their standard opening hours, only one in ten (12%) has adapted to meet changing customer demand.

But it's not as simple as just re-setting the alarm clock. British businesses cite increased overheads (19%) as the most common barrier to opening at different times, with large operators particularly seeing this as a threat (23%). Against a backdrop of looming challenges and fierce competition, businesses that are facing these challenges on a national scale, face an even bigger threat.

With all this pressure, changing demand for opening hours may seem like a lower priority for businesses. But in such a competitive market, evolution is crucial in order to stay profitable. There are also a number of solutions that can help businesses extend their opening hours without an overwhelming increase in overheads.

Embracing the opportunity

There are several options for British hospitality and leisure businesses looking to overcome these challenges. Technology can reduce the need for a 24/7 workforce and make hospitality services more accessible. Recognising this, just under a third (27%) of businesses have invested in new tech in the past year in an effort to appeal to customers in the future.

Among gyms, sports clubs and hotels for example, 1 in 5 (19%) workers would be more likely to use a service if it has an automated check-in/check-out procedure. This suggests that people are more inclined to use services if they know they will be available 24/7.

For services where pre-booking is necessary, online booking is also an incentive as it allows customers to book 24/7. Over a quarter (28%) say that having the option of an easy to use booking platform would mean they would use hospitality services more often. Receiving notification on their mobile showing services based on their location also makes one in seven (14%) of customers more likely to choose a service.

Changing working preferences are adapting how and when we use hospitality services. Customers are looking for both different opening hours as well as continuous access to booking platforms. Although there are barriers to overcome, Barclays research shows there is a £6.75bn opportunity for hospitality businesses that can make the change.

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Confidence returning among leaders of out-of-home food and drink market

Confidence is starting to return to the eating and drinking-out sector - despite a host of pressures on the market. But there remains a gap between the optimism that leaders of Britain's restaurant, pub and bar groups have about their own businesses and their confidence in the market as a whole.

The latest CGA Fourth Business Confidence Survey, carried out in May by business insight consultancy CGA in partnership with leading hospitality software provider Fourth, reveals that 75% of company leaders are now optimistic about the prospects for their own business over the next 12 months - 11 percentage points more than at the time of the last confidence survey in February.

There is also an upswing in bosses' confidence for the overall market, although the survey finds that less than half (47%) are upbeat about prospects for the wider eating and drinking out sector over the next 12 months. This also represents an 11 percentage points increase on three months earlier, and both figures are the highest recorded by the survey since February 2016.

However, they are still below the levels seen before the Brexit vote. In February, three-quarters of leaders said their businesses had been adversely affected by the consequences of the referendum.

"The more upbeat tone of the survey appears at odds with the recent news of some high profile restaurant closures in the first half of this year, driven by business challenges including rising food, people and property costs and the uncertainty surrounding Brexit," said CGA's CEO Phil Tate.

"But it might be because of this market shake out, coupled with more stable food prices, that business executives are now gaining more confidence," Tate added.

As one survey participant observed: "The [restaurant] market is sorting itself out like the pub industry did a few years ago. We are over saturated with some struggling brands. Once they leave, which is happening, there will be opportunities for better brands."

And as another commented: "An unsettled market presents opportunities for established operators with a clear offer."

Ben Hood, CEO of Fourth, said: "In the face of challenging external headwinds in rising costs of both labour and inventory, there remains a cohort of outstanding operators who are constantly looking inwardly at their businesses and investing in the marketing and technology they need to increase efficiencies and improve their offer and the customer experience. There will always be an appetite for spending on food and drink among UK consumers, it's ingrained in our culture, and these slick, streamlined businesses are in pole position to thrive over the coming years."

Tate noted that the continuing gap between market and individual business confidence was a cause for concern as it highlighted an underlying nervousness that might affect corporate investment and growth decisions. But with CGA data indicating that people continue to go out to eat and drink, the results show that there is plenty of room for distinctive, customer-focused brands to succeed.

Phil Tate concluded: "After a tough start to 2018, this latest Business Confidence Survey is a welcome reminder that hospitality remains an essentially upbeat industry. CGA's research shows that like-for-like sales growth is modest and that many restaurant, pub and bar operators have scaled back their new openings plans - but conditions that challenge some businesses can also bring opportunities for others."

The CGA Fourth Business Confidence Survey is produced in partnership with Fourth and is based on responses from 160 leading figures from the industry, working at CEO, MD, chairman, board and senior management levels.

Foodservice sector facing inflation in fish, oils and fats

Supply issues are driving up inflation in key foodservice items including fish and oils and fats, the new edition of the CGA Prestige Foodservice Price Index reveals.

The exclusive analysis of various food and beverage categories across the sector shows that fish prices were 12.1% higher in April 2018 than 12 months previously. Inflation has been driven by poorer than expected catches of cod and haddock in the last few months, and increased demand from southern Europe. Salmon prices have meanwhile been pushed up by the strengthening of the Norwegian Krone.

The Foodservice Price Index reveals that inflation in the oils and fats category is even steeper, with prices 27.9% higher than in April 2017. Supply has been damaged by severe dry weather in key production territories including the US Midwest and South America, with yields of both soybean and oilseed rape down. The relatively high price of crude oil at the moment has been another issue.

Inflation in these and some other food and beverage segments is creating challenges for businesses across the foodservice sector. The Index shows that volatility in prices has eased since the start of the year, but many items remain vulnerable to fluctuations in supply and demand.

The CGA Prestige Foodservice Price Index features detailed analysis of ten important categories, accompanied by expert commentary on short and long-term trends around the sector. It also forecasts future movements in foodservice prices, providing businesses throughout the supply chain with the intelligence required to stay on top of challenges and opportunities.

Shaun Allen, Chief Executive at Prestige Purchasing, said: "We are continuing to see headline-grabbing numbers from Oils & Fats, and numerous other categories are showing definite upwards trends. Many crops are feeling the effects of the poor winter and higher oil prices are starting to hit farmers. Businesses would be well advised to secure pricing now before further increases are seen, especially in Dairy which looks likely to rise in the near future."

Fiona Speakman, CGA Client Director - Food, said: "Our latest Foodservice Price Index spotlights the mounting inflationary pressures on important items like fish, oils, and fats. Overall we have seen inflation ease from the highs of 2017, with reassuring signs of stability in currency exchange rates and Brexit negotiations—but the steep year on year rises in these categories is a reminder of the need to stay vigilant. Understanding the nuances of foodservice price inflation is going to be essential for any business seeking to grow in this competitive market."

The CGA Prestige Foodservice Price Index is jointly produced by Prestige Purchasing and CGA, using data drawn from over 50% of the foodservice market and around 7.8m transactions per month. More information on specific categories is available on a subscription basis.

Question time

Peter Edwards, Chief Operating Officer, Zonal, introduces the business

1. What does Zonal do?

Zonal is the UK's leading technology solutions provider to the hospitality sector. With over 39 years' experience, Zonal has developed an innovative suite of products from EPoS to online booking tools, so we can offer a truly end-to-end integrated service to any hospitality business. Today, Zonal solutions are used daily in over 16,000 leisure and hospitality businesses across the UK, ranging from hotels, restaurants, bars, night clubs through to garden centres!

2. How is this different to its competitors?

The combination of being a privately owned family business, 39 years of hospitality experience, a wealth of hospitality industry talent and one of the broadest EPoS solutions is something we are really proud of and believe distinguishes us from our competitors. The business was founded by the current CEO's late father, hotelier Ralph McLean, who developed the first EPoS solution to solve short falls in stock and takings within the family business. From the onset our roots are embedded in the sector and that has remained the focus to this day, with customer service, long-term customer relationships and innovation being central to our success. Additionally, being privately owned and able to make long-term investments in our customers' solutions, Zonal has the flexibility to adapt and respond to customer needs and changing consumer technology habits quickly and effectively.

3. How can you help with rising costs?

Given current sector conditions, cost control and efficiency are very much on our customers' minds. The Zonal solution can help businesses control supply chain costs, gain labour efficiencies and perhaps just as importantly, grow spend per visit and reach new customers.

4. How can you help build customer loyalty?

Whether a multiple or single site operator, integrated technology can tell you more about customers, their behaviour and purchasing preferences than ever before. Deep understanding of the guest journey and behaviours empowers operators to dish up personalised rewards and offers that inspire customers to become powerful brand ambassadors. Zonal offers a fully integrated loyalty module, voucher management and end-to-end guest journey solutions that help operators focus targeted rewards on the right customers at the right time (and measure their impact).

5. How can you help manage online bookings?

High Level Software, a Zonal company, offers an own-brand online booking engine and channel management within their complete hotel property management solution. The tool allows you to manage your entire property from anywhere in the world and with real time, pooled inventory channel manager you can keep tighter control of your bookings across all platforms and channels. Additionally, the solution allows integration of room and table reservations to help you maximise your total stay revenue.

6. Will you or are you developing any relationships with blockchain technologies linked to this?

Blockchain is certainly an interesting technology that is being actively explored by our innovations team. We are looking closely at how it might add value to our reservations and supply chain solutions.

7. How are you addressing issues around security?

At Zonal we take security very seriously, we have a dedicated team to ensure the business and our customers are ready for the ever changing landscape of cyber security and new regulations. As you can imagine, the team have been very busy lately with GDPR, ensuring we and our customers meet security changes/challenges.

May sun shines on pubs, but casts shadow on restaurants

Like-for-like sales up 1.4% nationally against May 2017
Pubs trading up 3.5%, while restaurants see 2.1% drop

Hot weather in May helped boost trade in Britain's pubs, but hit restaurant sales. Overall, the country's managed pub, bar and restaurant groups saw collective like-for-like sales up 1.4% on May last year, according to latest figures from the Coffer Peach Business Tracker.

While managed pubs saw collective like-for-likes jump 3.5% for the month, with drink-led outlets doing best, casual dining brands saw like-for-like sales drop 2.1% against the same period last year.

"It's a familiar story. When the sun shines people head for the pub, or more precisely the pub garden. In contrast, restaurants do better when it's dull and damp. Weather remains the biggest factor when it comes to sales in the out-of-home market. It's the way it is," said Peter Martin, vice president of CGA, the business insight consultancy that produces the Tracker, in partnership with Coffer Group and RSM.

Regionally, London did marginally better than the rest of the country with like-for-like sales up 1.6% against 1.4% for outside the M25, with the difference between pubs and restaurants mirroring the national picture.

"The effect of the Royal Wedding on trade is hard to judge, but if anything, it may have depressed sales with many people staying home to watch on the TV," said Martin.

"The good news is that overall the sector saw an uplift in trading in May, which contrasts with the 1.2% fall in April. The public continues to go out to eat and drink, and confidence among operators is also returning, if not yet to pre-Brexit levels," he added.

Mark Sheehan, Managing Director of Coffer Corporate Leisure added, "It's always easy to blame the weather. But it was a long wait until May when the pub sector got the benefits of some sunshine. Better weather and a World Cup with a record 32 teams should see very strong trading for many pub businesses over the coming period. Restaurants and food led pubs may have a tougher summer to add to the pressures they are under. In the longer term, we see competition for casual dining chains become little less intense as poorer performing units are closed."

"With the World Cup underway and forecasters predicting more scorching weather to come, the pub sector looks set to enjoy a bumper summer - assuming England make it past the group stages," said Paul Newman, Head of Leisure and Hospitality at RSM. "In contrast, it has been a tumultuous 2018 for the eating out market. That said, the recent acquisition of Pret A Manger and Rosa's underline the enduring attractiveness of growth opportunities for overseas investors in the sector. We expect further deals to follow as well-capitalised businesses look to take advantage of better sites at lower rents."

Martin added: "The latest CGA Fourth Business Confidence Survey in May showed that 75% of company leaders are now optimistic about the prospects for their own businesses, with 47% upbeat about the market as a whole — both 11 percentage points higher than at the time of the last confidence survey in February.

"The shake-out of sites in the casual dining sector seems to be helping by reducing the threat of oversupply, and deals are also being done in the market, showing that investors also want to be involved in pubs, bars and restaurants," Martin said.

Underlying like-for-like growth for the 39 companies in the Tracker cohort, which represents both large and small groups, is still subdued, running at just 0.6% for the 12 months to the end of May, but up from 0.4% at the end of April.

Total sales growth across the cohort, which includes the effect of new openings, was 4.5% in May, reflecting continuing if slower brand roll-outs, and running at 3.8% for the 12 months to the end of the month.

The Coffer Peach Tracker industry sales monitor for the UK pub, bar and restaurant sector collects and analyses performance data from 39 operating groups, with a combined turnover of over £9bn, and is the established industry benchmark.

Profit washout at UK Hotels

Profit growth at hotels in the UK failed to match the soaring temperatures in April as the ongoing cost creep meant year-on-year growth in total revenue was completely wiped out and led to a -0.9% decline in GOPPAR, according to the latest worldwide poll of full-service hotels from HotStats.

Hotels in the UK recorded a 0.6% year-on-year increase in TrevPAR in April, which grew to £134.12, as the country basked in record temperatures, wiping out the memories of the endless winter.

However, the marginal revenue increase was not sufficient to offset the uplift in costs, which this month included a 0.4-percentage point increase in Payroll to 29.6% of total revenue, as well as a 0.1 percentage point increase in Overheads, which grew to 22.8% of total revenue.

As a result of the movement in revenue and costs, profit per room at hotels in the UK fell by 0.9% to £47.98. This represented a sixth consecutive month of year-on-year profit decline and contributed to the 3.7% decline in this measure for year-to-date 2018, to £39.31 per available room.

In addition to escalating costs, one of the key challenges to performance at hotels so far in 2018 has been volume levels, which appear to be on the slide.

This was illustrated by the 0.9-percentage point year-on-year drop in room occupancy this month, to 77.8%, which completely wiped out the 0.8% increase in achieved average room rate, to £112.56, and contributed to the 0.3% drop in RevPAR, to £87.59.

Profit & Loss Key Performance Indicators - Total UK (in GBP)

April 2018 v April 2017

RevPAR: -0.3% to £87.59	Payroll: + 0.4 pts to 29.6%
TrevPAR: +0.6% to £134.12	GOPPAR: -0.9% to £47.98

Despite recording increases in rate in the commercial sector, which included an uplift in the Conference (+12.6%) and Corporate (+0.1%) segments, hotels in the UK were let down by rate declines in the Leisure (-4.2%) and Group Tours (-1.6%) segments, which was somewhat surprising considering the warm weather.

"Demand levels have softened since the beginning of 2018, which may be attributed to the poor weather, the slowing in the UK economy and, this month, the timing of Easter.

But it's also clear that the increase in minimum wage and employer pension contributions have caused an increase in payroll levels. So, despite a rise in TrevPAR, payroll as a percentage of total revenue has grown and taken a bite out of profits," said Pablo Alonso, CEO of HotStats.

One city which bucked the national trend of profit decline in April was Brighton. However, in line with the performance of the UK overall, top line growth for hotels in the south coast city was driven by an increase in demand from the commercial segments, rather than leisure.

The growth in volume this month was led by demand generated in the city by the 2018 edition of the IATEFL Conference, which attracted more than 3,000 attendees from more than 100 countries.

The conference fuelled an increase in volume from the commercial segment, which increased to 39.4% of total demand for the month, which is well above the contribution from the Residential Conference and Corporate sectors in the rolling 12 months to April 2018, at 34.9% of room nights sold.

Despite the overall decline in achieved average room rate this month, which fell by 1.6% to £107.03, the volume of attendees to the annual IATEFL event supported an uplift in segment rate in the Residential Conference (+5.2%) and Corporate (+7.0%) sectors.

RevPAR at hotels in Brighton increased by 3.6% in April to £87.57 and was driven by a 4.1-percentage point increase in room occupancy, to 81.8%.

The uplift in Rooms Revenue was supported by increases in Non-Rooms Departments, which contributed to the 2.5% increase in TrevPAR in April, to £133.78.

Profit & Loss Key Performance Indicators - Brighton (in GBP)

April 2018 v April 2017

RevPAR: +3.6% to £87.57	Payroll: +0.2 pts to 25.9%
TrevPAR: +2.5% to £133.78	GOPPAR: +6.7% to £53.03

Whilst hotels in Brighton suffered a 0.2-percentage point increase in Payroll, to 25.9% of total revenue, it was far outweighed by the growth in top line performance, which contributed to the 6.7% year-on-year increase in profit per room in April, to £53.03.

"Although Brighton is traditionally a popular destination for leisure visitors, which has been boosted over the last 24 months by a Brexit-related uplift in domestic tourism, demand levels are also supported by the strong conference and convention offering, with significant capacity available at the Brighton Centre, as well as a number of the local hotels," added Pablo.

The profit growth this month continued the positive performance for hotels in Brighton so far in 2018 and contributed to the 8.8% increase in GOPPAR for year-to-date 2018, to £31.28. The growth this year will be a welcome respite after the 2.2% drop in this measure in 2017.

Hotels in Aberdeen have also seen a welcome recovery in performance since the beginning of the year, with GOPPAR growth recorded at +4.0% for the year-to-date 2018; although profit per room remains low at just £10.76.

As top line performance levels plummeted in recent years, it was essential that hotels in Aberdeen were able to trim the fat in order to survive. And with this operational mentality, hotels in the oil and gas capital of the UK were able to record a 34.0% year-on-year increase in GOPPAR this month, albeit to a lowly £12.74, on the back of a 10.5% increase in TrevPAR.

Profit & Loss Key Performance Indicators - Aberdeen (in GBP)

April 2018 v April 2017

RevPAR: +11.6% to £41.98	Payroll: -2.8 pts to 34.0%
TrevPAR: +10.5% to £57.08	GOPPAR: +34.0% to £12.74

Whilst the recovery in Rooms revenue at hotels in Aberdeen has primarily been in volume, this month an increase was recorded in both room occupancy (+6.3 percentage points), to 69.0%, and achieved average room rate (+1.5%), to £60.85, which fuelled the 3.3% increase in RevPAR, to £41.98.

The growth in RevPAR at hotels in Aberdeen this month was supplemented by encouraging increases in Non-Rooms Revenue, including Food & Beverage (+9.4%) and Conference & Banqueting (+36.8%) on a per available room basis.

Members' Events

5 July 2018
National Hotel Marketing Conference 2018

Event Details
The superb National Football Centre, plays host once again to the most important day of the year for anyone involved in marketing, sales, revenue management or PR in hotels. Providing the injection of "marketing adrenalin" that you, your colleagues and your business need, to market your hotel successfully towards 2020.

With 25 expert speakers presenting on the latest techniques in hotel marketing. The conference is run in partnership with the Hotel Marketing Association. Delegates have ample opportunity to choose from a wide range of presentations and seminars, to network with other colleagues and to meet with some of the "best-in-class" marketing agencies/consultancies who support the UK hotel sector.

Timings
09:00 - Registration open
10:00 - Conference start
16:15 - Conference finish

Venue
The Hilton at St. George's Park, Staffordshire

For those able to stay the night before the conference, there will be an evening Drinks Reception at the Hilton, and post-conference drinks will also be available.

For more information, or to reserve a place at this year's National Hotel Marketing Conference, please email conference@thetourismbusiness.com, call 07702 912938 or book online at www.hotelmarketing.org.uk

10 September 2018
Revenue Management Members Meeting - Booking Direct & Meta Search

Event Details
FREE for all HOSPA Members & only £10 for any non-members, please register in advance. To Register for this event, please send your HOSPA details to hospa@hospa.org with: Book Direct & Meta Search Members Meeting - 10th September in the subject line.

Location - London

8 October 2018
HOSPA Members Meeting - IT

Event Details
Smoke and Mirrors

The question of how we can keep guests safe has been brought to the fore by the Cameron House Hotel fire. All Hoteliers have a duty of care to their guests. Our expert panel will cover fire safety, electronic lock systems, fire regulations, CE marking, physical security and dealing with emergences.

Timings
16:00 - Registration
17:00 - Presentations
18:00 - Drinks & Canapes

Venue
The Rubens at the Palace,
39 Buckingham Palace Road,
London, SW1W 0PS

FREE for all HOSPA Members & only £15 for any non-members, please register in advance. Please book through Eventbrite.

10 October 2018
Annual Hotel Conference 2018

Event Details
A dynamic conference and thriving exhibition with an acclaimed programme of world class speakers and interactive workshops.

To Register for some of the above HOSPA member meetings, please send the below details to hospa@hospa.org with the following in the subject line: HOSPA *COMMUNITY NAME* Members Meeting - *DATE OF MEETING*.

Full Name:
Job Title:
Company Name:
Membership Number:
Invoice Details (If Non-Member):

Please Note: unless stated otherwise, all of our HOSPA Members Meetings are FREE for members to attend and only £10 for any Non-Members!

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Which grade of membership are you applying for?

You would normally be granted Ordinary status, but if you wish to be considered for a higher grade then please indicate which and ensure you submit a CV to support your application. Corporate membership is available for 5 or more colleagues. Please call +44 (0)203 4188196 to discuss or email hospa@hospa.org.

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Your Signature		Date	

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- Senior Hospitality Business Directors
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- General and Commercial Managers
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To book your place at HOSPACE 2018 please visit our online shop at: www.HOSPA.org/shop or email: bookings@hospa.org

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