

CRISIS MANAGEMENT

CORONAVIRUS ACTION PLAN FOR HOTELS

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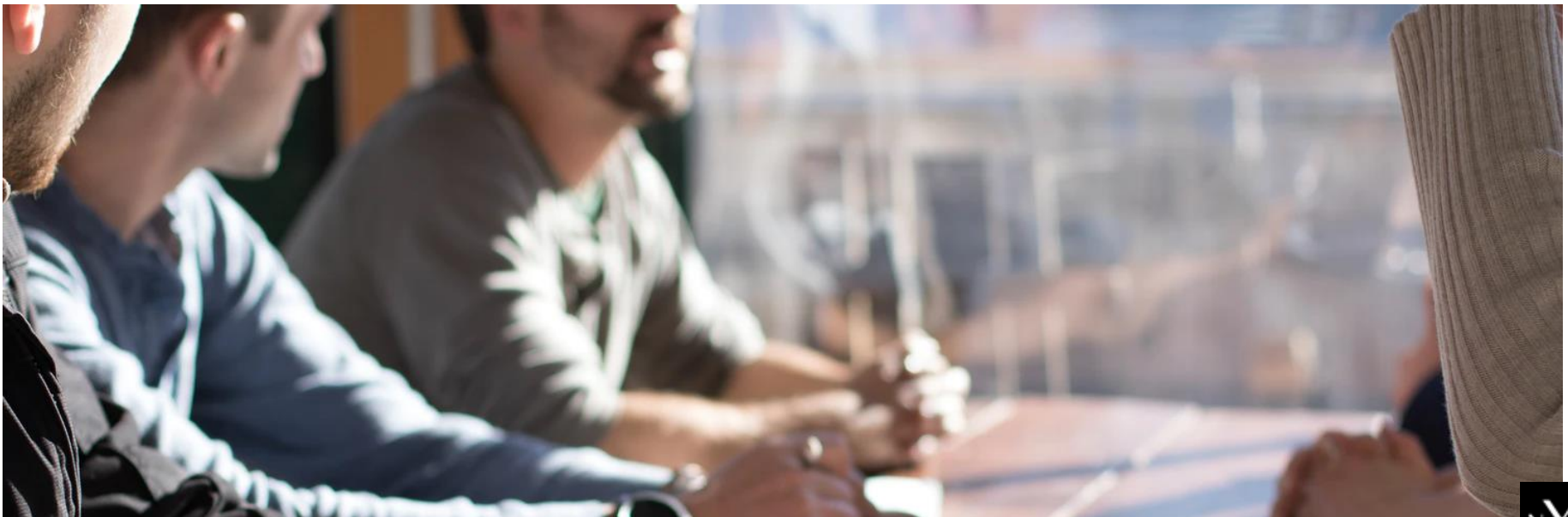
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INTRODUCTION

Crisis Management is a critical component of any successful digital strategy. During times of crisis, hotels need to thoughtfully and swiftly develop a prevention plan, communicate to employees and guests, and make critical shifts to revenue management and digital strategies to ensure success.

With Coronavirus (COVID-19) continuing to spread, it's important for hotels to have an action plan in place that addresses both the current state and the potential future impact if the situation continues to worsen. Overall, your hotel should arm itself with an internal Coronavirus response team that includes a member from every department critical to your business. This team should be responsible for keeping a pulse on the evolving landscape, continually brainstorming adjustments to strategy, and presenting to internal stakeholders to take action.



PREVENTION PLANNING DOCUMENT YOUR PREVENTION PLAN



Putting a prevention plan in place that protects employees and guests while on property is vital both to ensure a positive experience at your hotel and to put potential guests' minds at ease.

The Center for Disease Control and Prevention (CDC) provides guidelines for businesses to help prevent the spread of COVID-19.

Top resources for prevention planning include:

- The Center for Disease Control
- The World Health Organization
- The European Centre for Disease Prevention & Control



EMPLOYEE TRAINING & COMMUNICATION

PREPARE EMPLOYEES FOR PREVENTION

Once you document your prevention plan, ensure that all employees and internal stakeholders are aligned and are communicating the same message.

1

PREVENTION PLAN EMPLOYEE TRAINING

Once your hotel has documented your prevention plan, begin training employees to ensure everyone is aligned on the measures that need to be taken. During your training, place a strong emphasis on areas of the plan that impact employees' day-to-day operations, such as how frequently employees should be washing their hands, what precautions they should take if they begin to feel ill, and what precautions they should take if a guest begins to feel ill.

2

EMPLOYEE COMMUNICATION PLAN

When communicating precautions during any crisis, it is important that there is one unified message across your brand presence and employee communication. Provide employees guidelines on exactly how they should communicate your prevention plan to guests, acquaintances, and across social channels. If an employee communicates the incorrect message, it could be damaging to your business during this delicate time.

GUEST COMMUNICATION

REASSURING CURRENT & FUTURE GUESTS

As people become more and more reluctant to travel as COVID-19 continues to spread, it is important for your hotel to address that there is a prevention plan in place across critical channels, such as your website, social media, and email.

For hotels in destinations that have been highly impacted and for markets that have been highly impacted, consider waiving cancellation fees and communicating this in your messaging across channels.

Guest communication should:

- Reassure guests there is a prevention plan in place
- Address any waiving of cancellation fees for destinations impacted
- Contact information if guests have any questions or concerns



DIGITAL STRATEGY RECOMMENDATIONS

PREPARING YOUR DIGITAL STRATEGY



A nimble revenue management and digital strategy is critical during crisis management. When preparing your strategy and action plan, your number one priority is to align your revenue management and digital efforts to help minimize the impact to your business. One easy way to action this is to have a key stakeholder from your revenue management and digital marketing department on your crisis response team. Your crisis response team should also be working with all partners (digital marketing, website, CRM, etc.) to ensure the impact of COVID-19 is properly managed across channels.

Finally, while there's no crystal ball to predict the outcome of COVID-19, keeping a pulse on the evolution of COVID-19 in your destination and measuring the impact on your top feeder markets is critical in order to quickly shift and adjust your strategy as needed.

DIGITAL STRATEGY RECOMMENDATIONS

ASSESS CURRENT STATE

Before you can develop a proactive strategy, it is important to understand your current state of business.

Providing context to data is critical in telling the right story and making informed decisions.

CONSIDERATIONS FOR YOUR BUSINESS

How is your property pacing for revenue and occupancy year over year?

How do cancellations compare to your average daily and monthly cancellations?

What feeder markets are down year over year?

What customer segments are currently impacted? Conventions? Groups? Families?

Has ADR and LOS been negatively impacted year over year?

How much is tourism down for your destination overall? Drive-in? Fly-in?

If you are a multi-property brand, how does your business compare in different markets?

CONSIDERATIONS FOR COVID-19

What is the current state for COVID-19 in your destination? What's the message in the media? Are cases detained?

Have cases impacted your top feeder markets?

Are there any secondary feeder markets that haven't been impacted?

Identify historical macro trends of similar outbreaks (SARs, H1N1) analyzing impact on tourism and past business for your hotel.

Adjust forecasts and KPIs. Setting up your business for success in times of crisis often means redefining what success looks like.

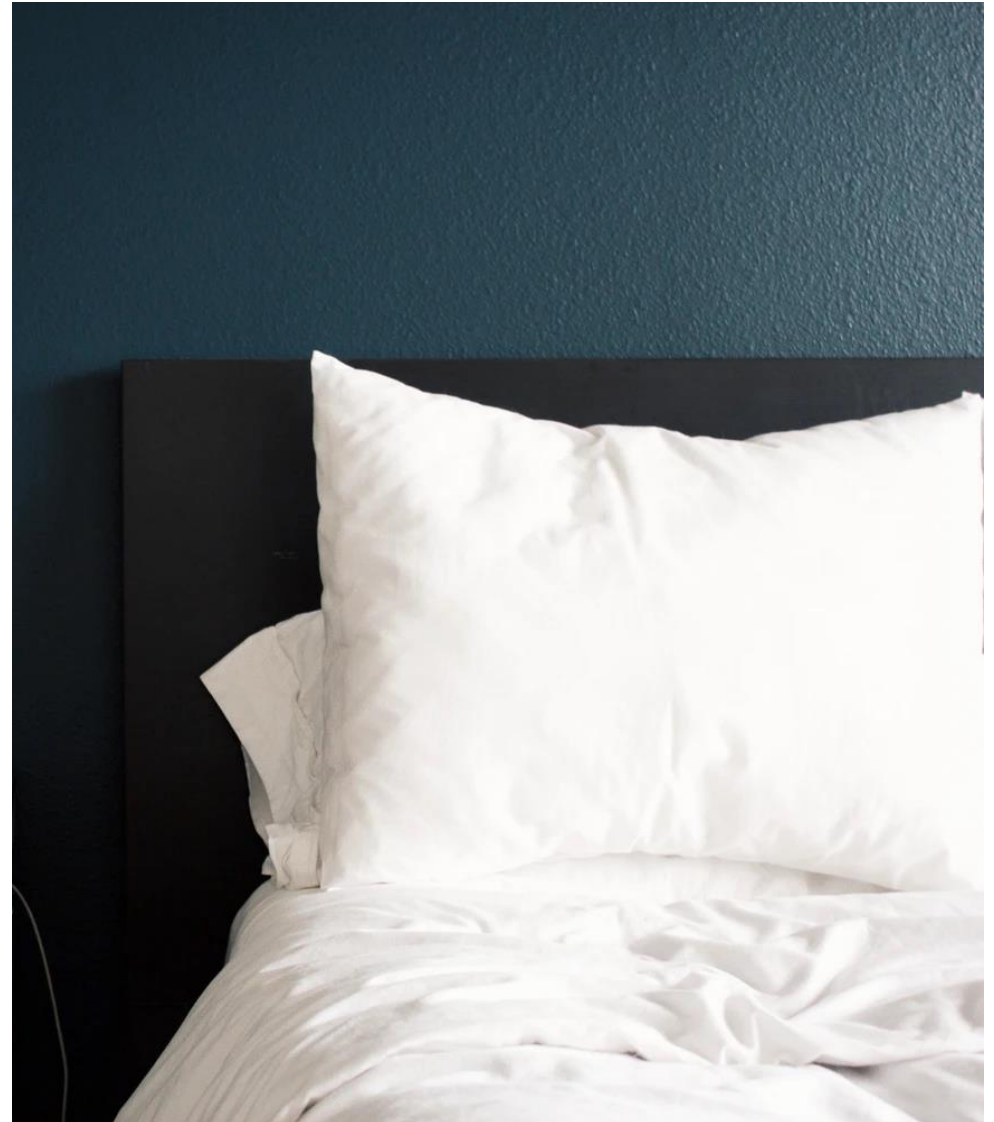
DIGITAL STRATEGY RECOMMENDATIONS

HANDLING EXISTING RESERVATIONS

If you are in a destination highly impacted by COVID-19, consider waiving cancellation fees due to the unfortunate circumstances. However, for upcoming reservations while COVID-19 is still active, consider emailing future guests to inform them of your hotel's prevention plan, provide tips for their upcoming stay, and link to any FAQs.

Consider for upcoming reservations:

- Communicate that a prevention plan is in place and reassure future guests
- Consider a complimentary add-on to make their travels less stressful (on-property credit)
- Provide contact information if they should have any questions or concerns



DIGITAL STRATEGY RECOMMENDATIONS

HANDLING CANCELLATIONS



To continue to foster a strong brand relationship, it is recommended to waive cancellation fees for time periods impacted by COVID-19.

However, to give guests the opportunity to enjoy a future stay, after a cancellation, consider offering guests who cancel an advanced purchase offer prompting them to book an upcoming stay when COVID-19 is no longer an issue. If the timing of Coronavirus subsiding remains unclear, you can offer a gift card for the reservation amount plus an added monetary bonus to put towards a future stay.

Consider for cancellations:

- Waiving cancellation fees during COVID-19 impact
- Allowing cancellations to book a future stay or purchase a gift card for the reservation amount with an added complimentary bonus to incentivize purchase


DIGITAL STRATEGY RECOMMENDATIONS

LOCAL FEEDER MARKETS & STAYCATIONS

Marketing to local feeder markets and promoting staycations can potentially combat occupancy issues by reaching locals that are hesitant to travel abroad or fly to certain markets. While locals may be hesitant to risk flying, especially to destinations that are highly impacted, they may be open to a local getaway and willing to spend more on local experiences since they have limited travel options.

Consider the following package inclusions for local and drive-in markets:

- F&B Credit
- Complimentary parking
- Spa treatment for services that are compliant with your prevention plan
- Partner with local museums, activities, and attractions
- Late check-out, early check-in



Increase awareness to locals who may not exhibit intent to inspire them to plan a staycation and create demand.



Ensure 100% coverage of those who exhibit intent to travel in market.

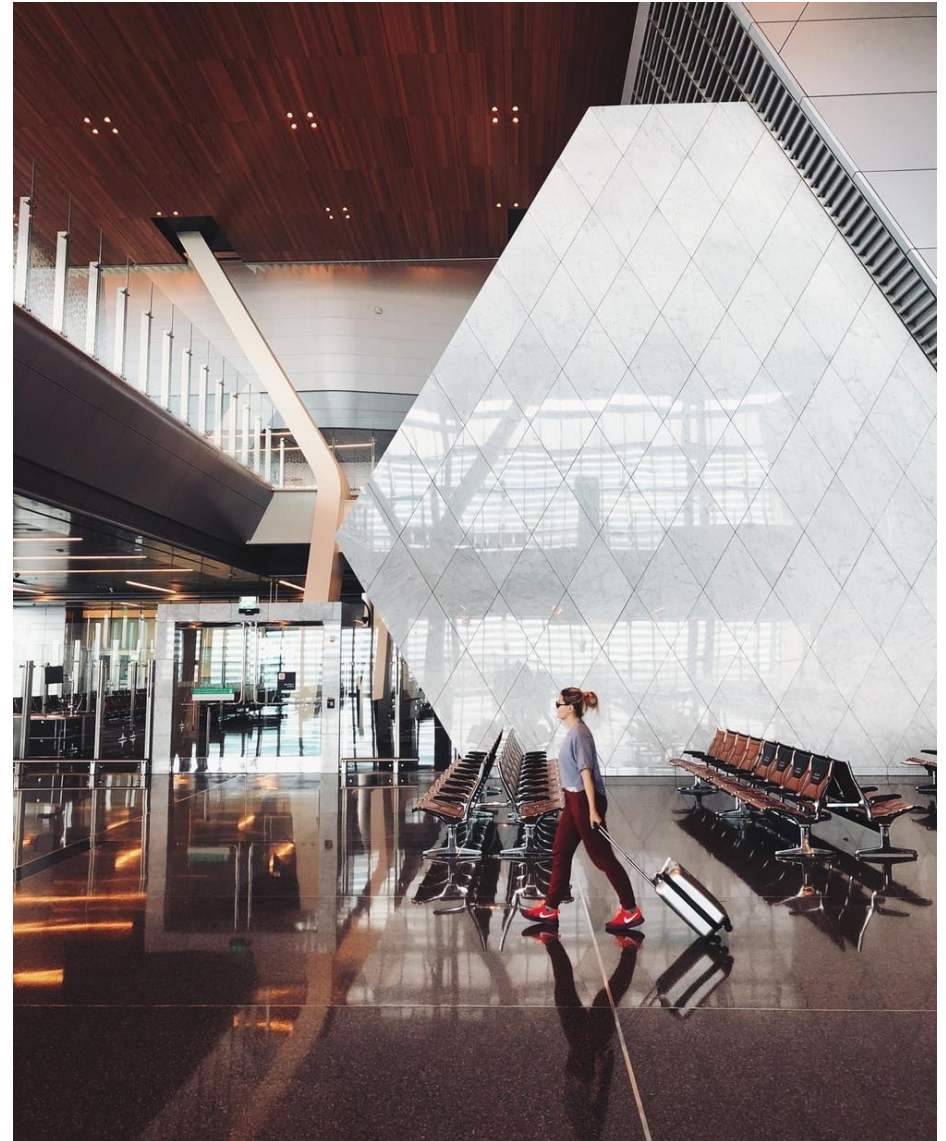
DIGITAL STRATEGY RECOMMENDATIONS

FOCUS ON MARKETS EXHIBITING INTENT

If your hotel relies on fly-in feeder markets, consider adjusting your digital marketing strategy to focus on markets showcasing intent. To start, determine which feeder markets do not have travel bans and are still potentially traveling to your market. Analyze your hotel's own fly-in market data by exploring top inbound destinations in website insights, bookings, and Sojern flight data to identify viable markets. Then, adjust targeting and strategy to focus on markets free of travel bans that are still showcasing intent.

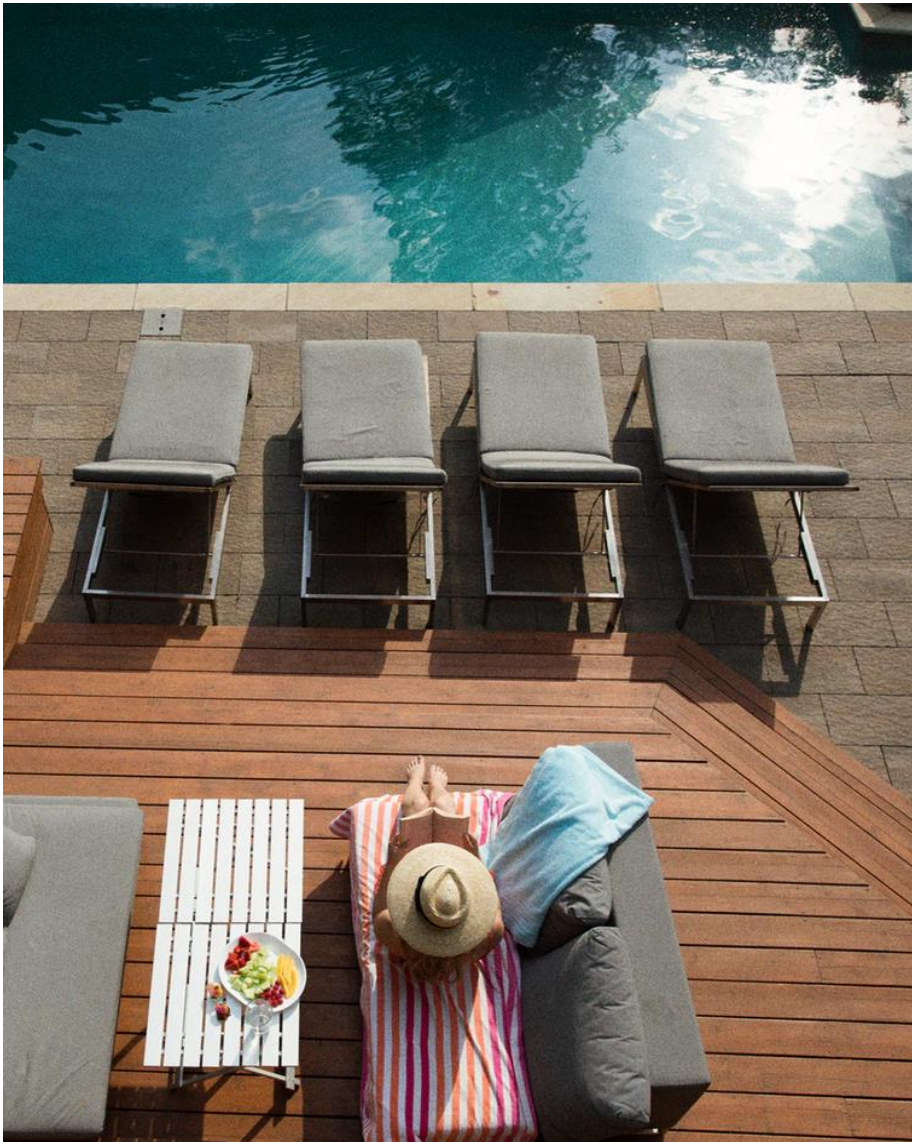
Considerations for targeting fly-in markets:

- Assess your top feeder markets including fly-in markets
- Take note of which feeder markets have travel bans in place
- Hone in on fly-in feeder markets that do not have travel bans and still showcase intent to travel to your destination



DIGITAL STRATEGY RECOMMENDATIONS

INCREASE REVENUE FROM EVERY BOOKING



During a crisis it's important to get creative with your offers and revenue management strategy to combat the revenue impact. Consider length of stay offers and upselling ancillary revenue (dining, spa, etc). Another strategy to consider is advanced purchase offers to promote future stays.

When considering ADR, keep a strong pulse on your market and competitive set. As travel demand softens, focus on promoting premium room types where your hotel can leverage a higher ADR.

Considerations for rate and offers:

- Focus on driving length of stay for guests you capture and upselling ancillary revenue opportunities
- Focus on extending business travel for leisure
- Focus on advanced purchase offers to promote future stays
- Monitor market ADR and promote premium room types as demand lessens

DIGITAL STRATEGY RECOMMENDATIONS

BOOK DIRECT PERKS ARE EVEN MORE CRITICAL

When travel demand is down during times of crisis, book direct perks are even more critical to ensure you are driving bookings through the most cost-effective channels.

Make sure book direct messaging is prominently displayed throughout your website and that you have a strong reservation abandonment strategy in place to help recover as many lost bookings as possible.

You can even consider an instant rewards feature where website visitors can unlock exclusive rates just by entering their email. This could be a "lite" version of your existing loyalty program or implemented as a standalone feature. Once visitors' emails are collected, market to them with future CRM campaigns to capture bookings once the virus subsides.

Considerations for book direct strategies:

- Prominently display book direct perks throughout the website
- Implement a reservation abandonment strategy to recover lost bookings and ensure bookings through the website vs OTAs
- Consider an instant rewards feature where visitors can enter their email to unlock exclusive rates
- Continue to market to potential guests once the email is captured and foster a strong brand relationship

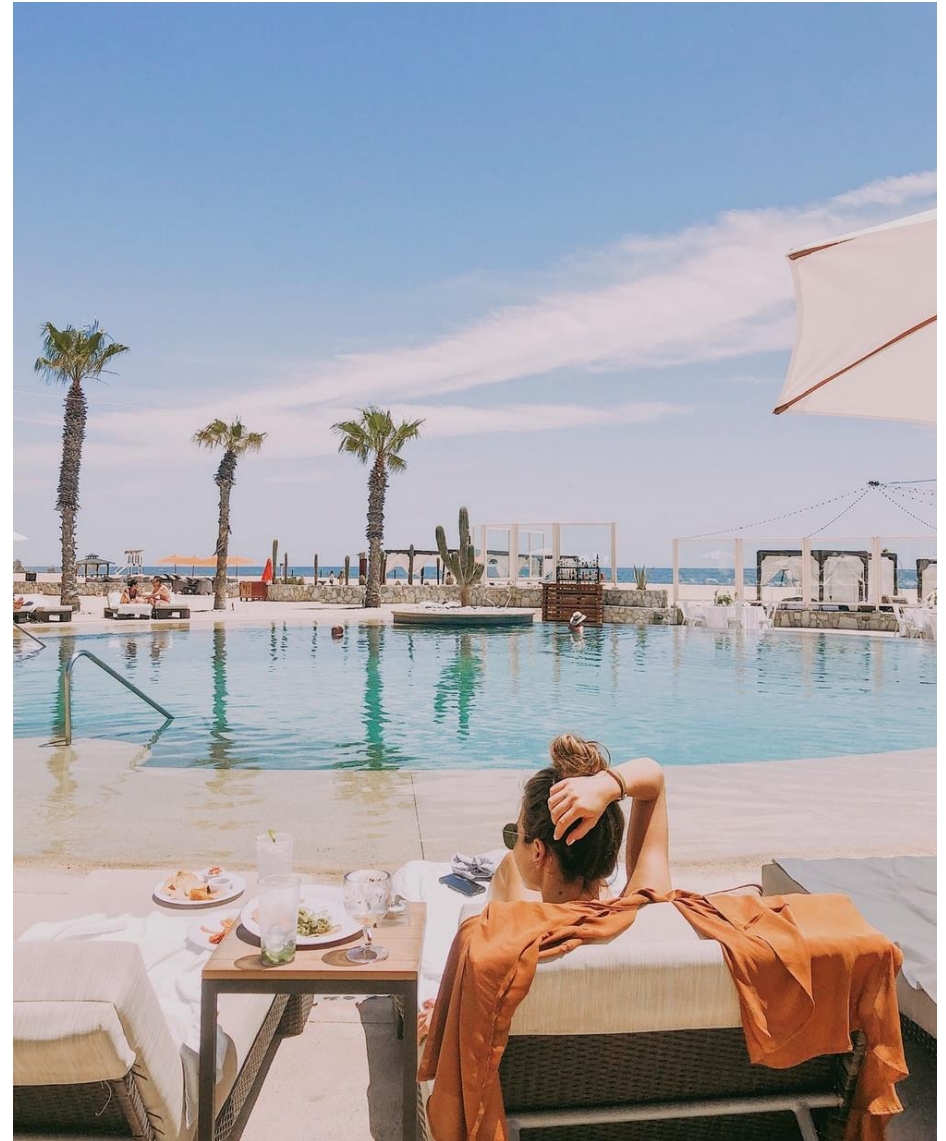
DIGITAL STRATEGY RECOMMENDATIONS

MARKETING TO LOYALTY MEMBERS

Loyalty means trust. Whether or not your hotel is impacted by COVID-19, marketing to your loyalty members can be an effective way to increase occupancy as these guests are already familiar with your brand. Consider creating unique packages and promotions for your most loyal guests. If you are a multi-property brand, create cross-property promotions to drive bookings across markets. While these packages do not need to be tied to COVID-19, your most loyal guests will trust the brand and the precautions that are in place.

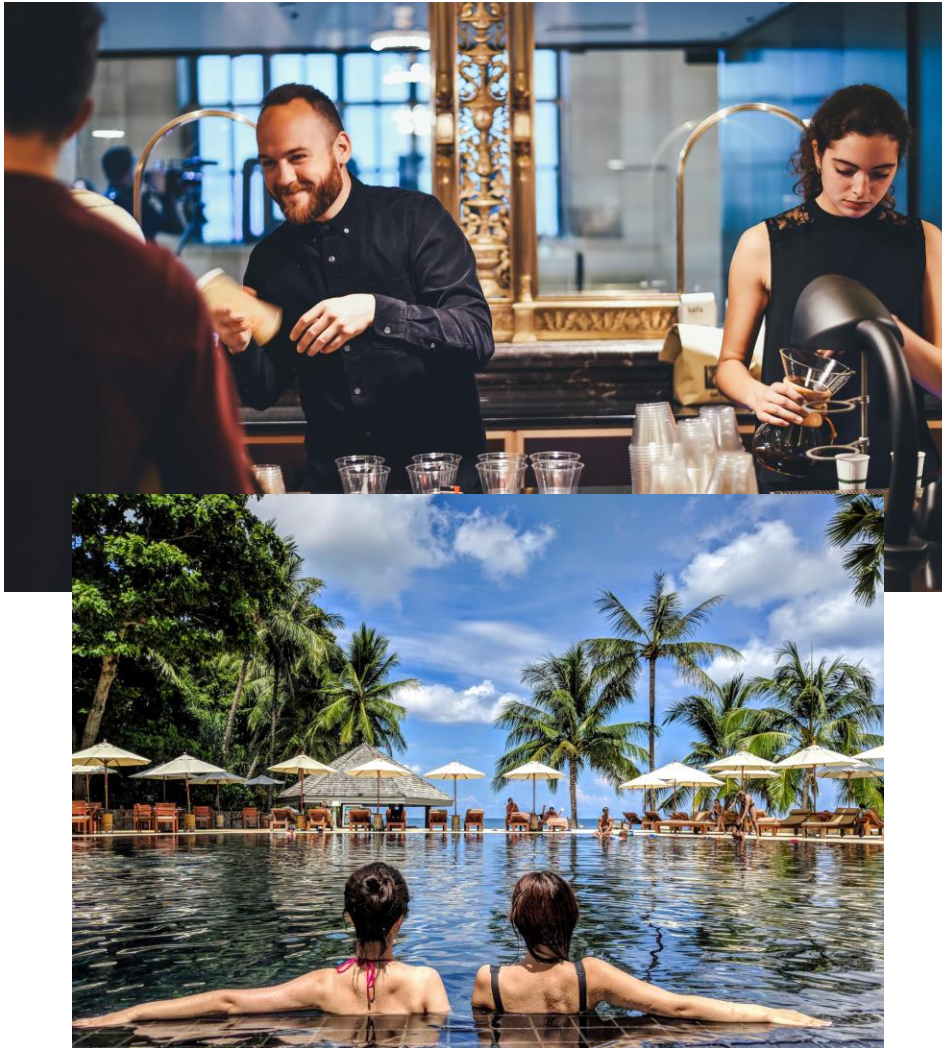
Consider promoting a Loyalty Member Exclusive Package including:

- Perks such as F&B credit, room upgrade
- Early check-in, late check-out
- Welcome amenity



DIGITAL STRATEGY RECOMMENDATIONS

PERSONALIZATION



If your CMS supports personalization, consider personalizing homepage content and special offers to local and international feeder markets.

Your personalization strategy should have staycation and experiential messaging to locals, Coronavirus and cancellation policy messaging to markets that are heavily impacted by COVID-19, and reassuring messaging surrounding your prevention plan to markets less impacted.

Considerations for personalization:

- Personalization strategy for locals with staycation and experiential content
- Personalization for markets heavily impacted focusing on your cancellation policy
- Personalization for markets not heavily impacted focusing on your prevention plan and reassuring guests

DIGITAL STRATEGY RECOMMENDATIONS

CREATE NEW REVENUE OPPORTUNITIES



As COVID-19 negatively impacts travel trends, capitalize on newly emerging trends such as the rise in demand for coworking spaces. Create new revenue opportunities by partnering with companies like [Kettlespace](#) and [DropDesk](#) to utilize your space for coworking businesses.

Another trend on the rise is the demand for places where people can have a meeting, take a phone call, or simply take a break for a few hours. Companies like [Dayuse](#), [Day Break Hotels](#), and [Dayrooms](#) allow people to book a hotel room for the day or in hourly increments.



Considerations for new revenue opportunities:

- Consider partnering with coworking companies for your meeting and event space
- Consider partnering with companies that allow locals to book your rooms by the day or in hourly increments

COVID-19 ACTION PLAN FOR HOTELS

- Create and document a prevention plan that protects employees and guests.
- Train employees on the prevention plan and provide guidelines for all employee communication.
- Communicate prevention plan across critical channels (e.g. website, social media, and email).
- Waive cancellation fees for impacted timeframes and offer a gift card for a future stay.
- Communicate prevention plan to upcoming reservations and offer a complimentary add-on.
- Assess your current state of business including YOY occupancy, revenue, ADR, LOS, etc.
- Keep a pulse on COVID-19 developments in your market and adjust targeting and strategy as needed.
- Market to local feeder markets and promote staycations to increase occupancy while travel demand is low.
- Evaluate and shift budget and targeting strategies to focus on viable fly-in markets.
- Capture more revenue out of every booking (e.g. increase LOS, upsell ancillary offerings, drive ADR).
- Consider advanced purchase offers to promote future stays when travel demand picks back up.
- Market to loyalty members who already trust your brand with exclusive packages and perks.
- Utilize content personalization to adjust messaging based on where visitors are located.
- Reimagine the use of your meeting space for coworking, or allow locals to book rooms by the day/hour.
- Emphasize book direct perks, allow visitors to unlock rates with email, and use reservation abandonment.

GETTING STARTED

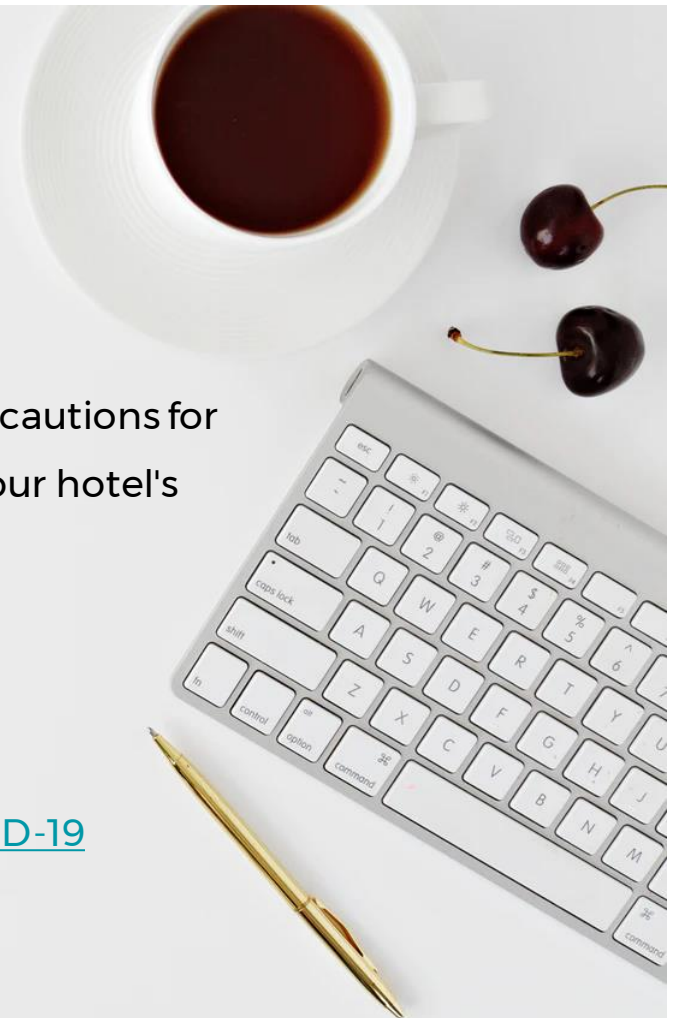
COVID-19 TOP RESOURCES

Stay up-to-date with the latest recommendations and precautions for COVID-19. These resources are important for developing your hotel's prevention plan.

[Center for Disease Control: COVID-19](#)

[World Health Organization: COVID-19](#)

[European Centre for Disease Prevention and Control: COVID-19](#)





MORE ABOUT US

NextGuest provides hoteliers with everything they need to thrive in the digital world. Through its subsidiary divisions, the company provides digital marketing, CRM services, technology solutions, and high-level consulting to some of the world's top hotel brands. Based in New York City, the company is comprised of NextGuest Digital, CRM, Labs, and Consulting. Each arm of the company offers stand-alone services, while together they provide an all-encompassing partner that helps hoteliers acquire, engage, and retain their next guest.

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