

Hotel Online

News for the Hospitality Executive

Hotel Executives Have Fiduciary Responsibility to Owners to Maximize Potential Revenue of their Inventory

Parsippany, New Jersey -- It is budget time and the tentacles of a declining economy are permeating the travel industry. Pencils are sharpened and budgets are cut, leaving even less budget but there are more unsold rooms. Why not use the value of these unsold rooms as purchasing power to help finance marketing? It is a no brainer, yet the *"it's not in the budget"* argument gets in the way of common sense.

Hoteliers should earn bonuses on profit and cash flow – not their ability to make it through the year within budget. Executives have a responsibility to hotel owners to maximize the inherent equity of their unsold rooms. Even a small percentage of unsold hotel rooms can be exchanged to fund valuable marketing tools, such as consumer advertising; plus, the hotel benefits from the end users of these *"barter"* rooms -- guests who ultimately bring new business, revenue and occupancy to the hotel company.

Integrating a barter line in the marketing budget is genius.

Why doesn't everyone barter? There is no reason except lack of knowledge of the benefits of barter, an antiquated budgetary bonus or accounting system. Clever hoteliers use barter as a strategy to expand their cash flow and their ability to buy advertising, product or soft goods. By taking 1% of potential room revenue that goes unsold, a hotel can realize a significant credit to purchase media merchandise or hotel upgrades that would increase sales. This is the fundamental benefit of barter: transforming inventory into currency that can procure goods and services to drive revenue.

In turn, most media companies also use barter by trading their unsold advertising space or air time to bring in new business and to save money on travel and entertainment expenses as well as sales promotional costs.

The marriage of unsold inventories in the travel and media businesses is the specialty of Innovative Travel Marketing (ITM). ITM specializes in barter media placement, media planning and buying.

About ITM

Established in 1992 by Jody Merl, Innovative Travel Marketing (ITM) is the only company that specializes in barter advertising and sales promotional services for the hotel and travel industry. The firm integrates expertise in strategic media planning and buying, with the financial intelligence of barter – the exchange of unsold room inventory for advertising placements and services. ITM empowers clients, which include some of the finest hotels, resorts and airlines worldwide, with a cash-saving strategy for expanding marketing budgets. Consequently, ITM delivers a competitive advantage to optimize hotel occupancy and maximize profit through barter. For more information, contact ITM at 973.331.8171, or visit www.innovativetravelmarketing.com.

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