LUXURY HOTELIERS

2nd Quarter
2016

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ADVERTISING YOUR BRAND TO MAXIMIZE YOUR REACH

By Jay Greenlees

Barter Advertising Solutions Announces $10 Million Dollar Occupancy Stimulus Plan for the Luxury Hotel Industry designed to help luxury hotel and resort companies substantially expand their advertising and increase their occupancy rate with guaranteed room night sales at their full retail rates.

The hotel industry remains a cyclical business and ever changing economic and geopolitical tensions cause many travelers to cancel, defer or change trips - hoteliers need continuously examine all possible strategic ways to enhance performance and the bottom line. The inclusion of barter in a hotel's annual marketing budget allows it to expand its sales effort and to dramatically stretch funds to test new markets and build branding and awareness. Hotels can use barter to attract desirable individual customers and meeting programs that generate cash charges for incidentals, as well as bring future cash business to increase market share. Bartering a fraction of a hotel's average percentage of unsold rooms in return for major advertising campaigns is an intelligent tool for boosting demand and profit while expanding budgetary resources.

Regardless of the state of the economy, every financial strategy and solution should be considered to maximize occupancy, revenue and profitability during high and low demand periods. A recent STR Global Performance Report* on Luxury Properties in major cities worldwide reported that average occupancy was 75.7%. along with an average daily room rate of $302 per night. The report was based on 319 Luxury Hotels in major cities around the world with a total of 108,297 rooms (average 339 rooms per property). With an average occupancy of 75.7% and an average of 339 total rooms per property that means that on average 24.3% of the rooms are going unsold or roughly 82 rooms per night per property going unsold - multiply those 82 rooms per night by $302 in lost revenue and the result is $24,764 per night in lost revenue or roughly $742,290 per month ($8,915,040.00 in lost revenue per year) per property. Based on these averages reported by STR - a typical luxury property could take just 10% of its average rooms going unsold nightly and use those unsold rooms to pay for almost $1 million dollars in new strategic advertising campaigns to increase brand visibility, gain market share and new incremental cash bookings.

The importance of profit to owners and investors demands a critical look at an underused marketing tool – barter. Hotel executives have a fiduciary responsibility to capitalize on the value of their inventory. Using unsold rooms as a currency through professional intermediaries such as Barter Advertising Solutions, hotels can position their brands to reach desirable consumer demos as well as corporate, group and leisure accounts. Many hospitality companies successfully use barter to strengthen brand image and boost demand for their properties while conserving cash to improve profits.

Barter – an intelligent way to monetize unsold rooms. Using barter provides hotels & resorts with a system for selling available room inventory in a way that is consistent with their particular their image and goals. Since the typical barter client is a corporate traveler, or incentive group that is not a current customer, hotels can reach entirely new types of clients and sources of future cash business. Exchanging a percentage of your average daily unsold hotel inventory is an effective means of purchasing advertising, promotions and other marketing services when funds are not available or are too costly. It is a viable option that can provide a valuable, competitive edge.

Barter can help your luxury property achieve maximum profit. Since hotels have perishable inventory, bartering complements the hotels operating systems in many ways. Due to the brief tenancy of guests, hotels must continually advertise in order to achieve, maintain and grow branding and awareness. Therefore, bartering rooms for advertising is an intelligent attractive solution since ad placements, like guest rooms, are perishable inventory. Hotels strive to attract clients that fit their target markets and build long-term relationships to attract customers who represent future cash-paying customers and will help spread the word to their friends and associates. Barter stays typically still provide incremental cash revenue from the barter customer while he/she is staying at the property as such guests still typically pay cash for food, beverage and incidentals, creating incremental revenues. In addition - newly opened hotels, which typically need to conserve cash and build customer relationships can strongly benefit from using barter. Their generally low occupancy rates and profitability make barter an optimal financial and marketing strategy.

The revenue of a lost room night can never be recovered. Rather than taking a loss, luxury resorts can use unsold rooms as currency for strategic advertising that reaches key markets/demos. Even just a small percentage of a property's unsold rooms can be converted into substantial media campaigns.

**Source STR Global Luxury Performance report – YTD 2014*

To learn more about this opportunity, please request more information by visiting www.BarterAdvertisingSolutions.com or contacting Barter Advertising Solutions - A division of Advantis International Inc. www.AdvantisInternational.com

About the author

Jay Greenlees is President of Barter Advertising Solutions a division of Advantis International Inc. - a multifaceted media and financial services company that provides unique advertising, marketing and finance solutions that help businesses increase sales, open new sales channels, conserve cash, leverage resources and reduce expenses. Jay has over 30 years of experience in areas of consulting, alternative finance, trading and bartering, media planning and buying, sales and marketing.

Barter Advertising Solutions is one of the leading providers of media to the Barter Industry worldwide and is one of the leading trade exchanges of the International Reciprocal Trade Association (IRTA) — the industry association of all of the of the leading trade exchanges around the world representing almost 1 million businesses worldwide. Jay serves as one of the few voting members of the IRTA Universal Currency (UC) committee that controls worldwide monetary policy on their Universal Digital Trade Currency that used by all member trade exchanges

Jay has over 30 years of experience in the Advertising, Barter and Private Currency Industries and has helped hundreds of companies leverage their resources and improve their businesses. Over his career Jay has structured and implemented over $100 million dollars in barter advertising media plans and alternative finance transactions. For example - Barter Advertising Solutions has provided over $1,000,000 in television advertising on barter to a large hospitality company that traded out their excess capacity in exchange for the TV Advertising. Another example is Jay's company provided a Major Daily Newspaper with over 7 figures in barter transactions including re-carpeting their entire offices with high grade commercial carpeting in exchange for unsold newspaper space.

Receive full market value or premium to market for your hotels empty room nights. Barter Advertising Solutions can help you turn your Hotel or Resorts empty room nights into strategic ad campaigns and guaranteed bookings. Conserve your cash and use your excess capacity to finance and pay for major advertising campaigns.

For additional information on how Barter Advertising Solutions can help you grow your business please contact Jay Greenlees at 702-997-6577 ext. 101 or email jay@barteradvertisingsolutions.com