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## Hospitality Experts Declare Unsold Rooms the Industry's Most Valuable, Untapped Asset

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Jody Merl, President, Innovative Travel Marketing



Sean Hennessey, CEO Lodging Advisors LLC

**New York, NY** - Monetizing unsold hotel room inventory is - by a wide margin - the largest available asset for management and ownership at many properties to drive additional profitability, demand and brand awareness, according to industry expert Sean Hennessey, CEO of Lodging Advisors. His comments were made at a recent HSMIAI-NYC symposium in May on *Creative Solutions to Expand Your Marketing Dollars*, which also featured Jody Merl, President of Innovative Travel Marketing.

In NYC alone, many properties are running at 85-90% occupancy but at flat rates with new product coming into the market, while "there remains 15,000 unsold hotel rooms each night - that's 5.5 million empty rooms each year equating to over \$1 billion in lost REVENUES and more than \$300 million in lost net income," cited Hennessey. "Nationally, the numbers are staggering." The perishable nature of hotel rooms makes them well suited to being monetized. Hennessey emphasized the need for hotels to differentiate themselves in order to get higher-rated customers. Merl then reviewed ways to execute, such as monetizing unsold rooms to fund integrated marketing campaigns that produce more direct business, editorial inquiries and the fruits of those results, including top rankings with consumer travel press and online review sites such as TripAdvisor.

"The revenue of a lost room night can never be replaced," said Merl. "Leveraging the value of perishable, unsold hotel rooms as 'currency' is an innovative, fiscally responsible way to purchase valuable marketing channels and advertising, in order to differentiate your product and stay top of mind in a competitive marketplace. You're tapping the cash under your mattress to procure desirable media and corporate clients who are directed to the hotels, while shrewdly planned media buys target consumers, planners or even travel agents, to ultimately generate new customers and incremental revenue," she continued.

Monetizing unsold rooms is much more lucrative than dumping inventory into OTAs (online travel agencies). "Just shifting 5-10% of OTA business into trade could enhance a property's market mix by reaching higher revenue-producing, long-term customers," noted Merl.

For hotels with limited or no budget, trading unsold inventory enables them to purchase media and other marketing services, which generates a halo effect of visibility that further extends the reach of their sales and PR efforts. Merl explained how monetizing rooms on trade yields discerning customers and exposure. For example, consistently advertising over time drives interest in properties for "Best of" / "Readers Choice" Awards in leading consumer travel publications, and properties capitalize on these accolades to gain desirable clientele and generate revenue. In this fashion, hotels and resorts increased their average rate.

Merl gave many examples of how trading rooms has created and expanded marketing budgets to reach global travelers for leisure, corporate and group business. Trade can be used to fund promotions, video production, merchandise, client incentives and even accommodations for sales calls, ultimately enhancing revenue and preserving cash:

- Free and low cost links such as enhanced company TripAdvisor listings to maximize visits to hotel websites
- Presence on film and video production sites like the Mayor's Film and Television commission, local trade associations, etc.
- Sweepstakes and broadcast promotions
- Subsidize production of low-cost video, TV commercials and photography
- Generate sales without a sales staff and market without a budget to reach global travel agents via trade, resulting in significant bookings, increased room rates and higher ranking in competitive set
- Vertical marketing to target corporate travel and HR managers via trade advertising, and generate ancillary editorial coverage in business travel publications

"Ultimately, barter is a strategic marketing tool that creates relationships and builds demand among target markets, while preserving the value of product," summarized Merl.

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## About Innovative Travel Marketing (ITM)

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[ITM](#) is the only premier media planning and buying company that specializes in the hotel and travel industry using barter as a financial tool to maximize exposure and revenue. ITM's media buying expertise and extensive media relationships enable clients to expand their cash budgets and create trade budgets using unsold rooms as "currency". To learn more please visit us at [www.innovativetravelmarketing.com/](http://www.innovativetravelmarketing.com/).

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