

If You Can't Beat 'Em, Join 'Em

One of the hallmarks of the early 21st century that we are currently in will be the gradual shift away from a traditional, corporate-based model of capitalism to a crowd-based one. We're seeing this with the rise of cryptocurrencies like Bitcoin and we're seeing this in the travel industry with global, billion-dollar entities like Airbnb. While legislation will help to level the playing field so hotels have a fighting chance, it will be impossible to reverse this overarching trend.



And so, as the title of this article implies, you cannot wait for policymakers in your territory to solve this problem for you. Instead, you must embrace opportunities in this era of disruption by integrating the exceptional qualities of these alternate lodging providers into your core operations.

Indeed, we are already seeing this transpire with, for instance, Accor's purchase of onefinestay.com in May 2016. Having only recently experienced this luxury short-term rental website for an upcoming family vacation in Tuscany, I can say that there is much hoteliers can learn. Moreover, it prompted me to ask, "What triggers trial of alternate lodging providers?" which also happens to be a great place to start when trying to figure out what you can improve.

Your first step is to know how the sharing economy works in your specific geographic area – as they all have their idiosyncrasies – and to understand how consumer behavior has been affected. A good term to keep in mind at this point is 'induced demand' which describes those travelers who would not have otherwise made the trip if not for the cheaper prices, the inherent trust of these two-way review platforms, the intriguing experiences offered or the more flexibly arranged residences available through the various alternate lodging e-commerce portals. This is important to remember because for every reason an individual chooses them over a traditional hotel, you must be armed with a viable solution.

Of those four benefits raised stem good questions to brainstorm with the rest of your senior team. How can you modify your marketing materials so that your prices are perceived as competitive or, phrased differently, that you are offering more value on the dollar? Using all the modern means at your disposal including social media, public relations or even video testimonials, how can you instill more trust in the general *consumer-ship* so that they know your product and services are exceptional? As for intriguing experiences, this depends purely on what programs you have or will set up in-house along with any local partnerships you've put in place. What are they? What can you do to make your property more locally

authentic? Lastly, while there may not be much you can do to increase the diversity of products that you offer without a significant CAPEX, you can differentiate the room-to-room aesthetics. So, what are you going to do to make each guestroom feel unique and how are you going to promote this venture?

All that is just a start, and for every other why someone would opt for the sharing economy over an established commercial entity there will be an additional question to ask.

But thinking about the title one level higher, what's stopping you from posting some of your more exceptional inventory on one of the alternate lodging providers' websites?

Just as OTAs are accepted nowadays as part of a healthy channel mix, so too might these websites in the coming years. Looking at Airbnb specifically, you can see the machinations of this already at play. They've already started introducing their own quality-inspected rental program to offer an additional layer of veracity to some of their higher-end products – a program that has a striking resemblance to the work that hoteliers do every day to ensure that our products accurately uphold our brand promises. And then more recently, this company's instant booking feature bestows them with many similar characteristics as an OTA.

Regardless of whether you choose the more conservative path of improving your product to meet this today's ever-competitive marketplace or if you opt for something a bit more daring by allocating product to these new channels, the bottom line is you must do something to keep your edge. It is time that we disrupt the disrupters, and the only way to do that is to give your customers what they want!

(Article by Larry Mogelonsky, originally published on [HotelsMag](#) on Friday, December 8, 2017)