

Operating in a Silo

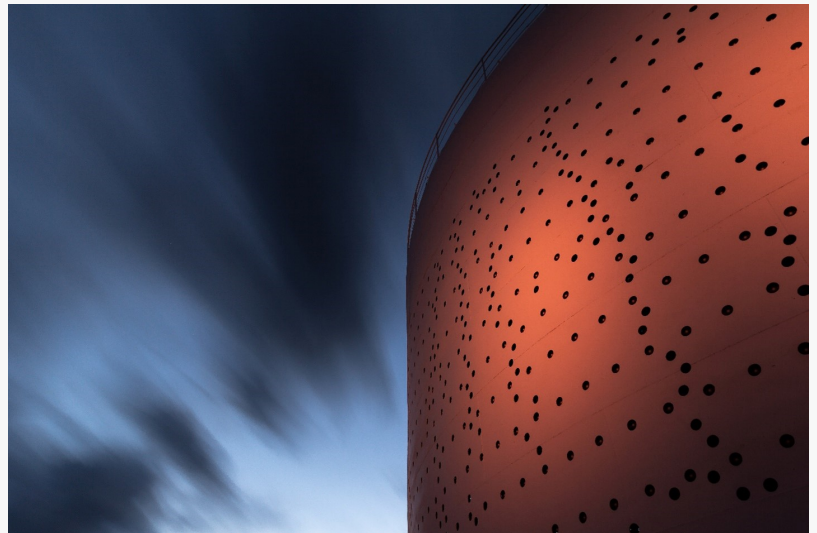
How to Unite Revenue and Marketing Teams

SANTA FE, NEW MEXICO, UNITED STATES, November 10, 2020 /EINPresswire.com/ -- By definition, the silo effect happens when team members, or leadership, do not share common goals, have aligned strategies, exchange information, or use collaboration tools. The silo mentality affects not only those in the silo but stretches across the organization. On the surface, it hurts employee morale but can, also, impact a company's bottom line.

For hotels, revenue and marketing teams have traditionally worked in a silo as separate entities at hotels. Working separately in the past, building the brand and maximizing revenue were often seen as two distinct and independent goals. But that was then. The same traditional demarcation between the two indispensable teams is not sustainable, and ultimately impacts the [modern-day traveler](#). As 2019 draws to an end it's clear that the two can no longer work independent of one another. Instead, to build a fuller, more meaningful traveler experience, the teams in revenue and marketing have to unite.

THE IMPORTANCE OF COLLABORATION

Revenue and marketing have historically worked on separate streams largely because they have



Bridging The Communication Gap



Marketing and revenue teams are working towards the same goal: providing the best traveler experience.

different objectives in sight. These disparate objectives led to disjointed strategies that not only impacted individual goals but were not aligned with travelers' needs, or even desires. On the one hand, revenue managers were focused on maximizing RevPAR, ADR growth and occupancy whereas the marketers have their hands busy creating advertising and promotional programs, email marketing, social media engagement, and more.

However, what the two teams might not recognize is that their overall intent is in fact the same. Marketers are looking to increase visibility and earn trust in the hotel's brand. This in turn leads to more revenue. On the other hand, increased revenue also leads to greater resources that the hotel has to expand on their brand. The two teams are in fact working towards the one and same goal: that of providing the best traveler experience for their guests. But how can they achieve that goal in tandem?

According to Emily Bowen, Adjunct Professor and Director of Revenue, Reservations and Channel Distribution, "Revenue managers can study data and have insightful strategies but if the message doesn't connect with the traveler – or resonate in the revenue culture of the operational team - the strategy will fail."

THE BENEFITS OF UNITING REVENUE AND MARKETING

One important way to bring revenue and marketing together is to recognize what assets each team has that they can offer each other in providing guest the most meaningful travel experiences.

To this end, data plays a key role in bringing together the two teams. Both departments have deep analytics available that can help the other in achieving their common goal. Marketing departments for one, know how customer groups are segmented into targetable demographics as well as having a fuller understanding of what the hotel guests need. They also use this intimate knowledge to generate promotions and packages that increase demand at the hotel and, therefore, revenue as well. These insights can be essential to the revenue manager, allowing for greater understanding of what traveler's desire when staying at a hotel.

The revenue team, however, also has important insights at its disposal. In addition to knowing about pricing that is set by competitors or the rate of bookings based on various seasons, they also know what the best pricing would be for rooms and packages. Having this 'bird's eye perspective' of the transactional life of the hotel can give marketers a better picture of what works and what doesn't. It's also the case that revenue managers have a better view of what the demand is for the future based on previous months or years. In sharing what the demand might be in the near future, marketers can then cater accordingly to that demand.

Emily Bowen, Adjunct Professor at Penn State says, "It's unreasonable to think that you can achieve a total result from an individual person or team. It's an inefficient expectation to give 100% to more than one area of focus – something will ultimately have to give. By combining

resources, each team can bring their own unique strengths and balance to the opportunities and find the 'sweet spots' of optimization."

Revenue and marketing must avoid operating in a silo or risk jeopardizing the overall ambitions of the hotel. Communication can be the most critical way to bring two disparate teams together. And an organization that prioritizes communication can best serve their underlying goals.

According to Raul Vega, Growth Marketer at LEVEL 5 Hospitality, "Marketing can help tell the story of the property – what makes you more than a room with a bed. The artfulness of that storytelling can affect value positioning and ultimately help support pricing values if they can convey an emotional or personal connection to the guest."

CONCLUSION

Ritz-Carnton's motto may have summed it up best, "We are Ladies and Gentlemen serving Ladies and Gentlemen." This motto then serves to be the end goal. With the end goal in mind, revenue management and marketing can now align bridging the communication gap and finding better ways to collaborate and become cross-functional. This not only serves each team and the hotel's best interest, but that of their guests.

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