As much as I hate to repeat myself, the first two paragraphs below are from March 2011 and seem as pertinent today as they were last year. I hope I don’t have to repeat myself again!

Let’s hope that hospitality industry pundits don’t have wacky tabaccy in their pipes as it appears the leprechaun above does – at least he looks relatively “happy”. The raging lion that has been devouring profits as well as projects should become quieter – if not actually go out like a lamb. Presentations at industry conferences have sounded more confident in the near term, not just long term prospects – although most speakers still seem to leaven their message with a strong dose of caution. “Things are getting better, but slowly.”

Rising oil prices could be a major “unknown” for a lot of properties this year. Resort areas considered “drive-in” markets such as Florida’s Panhandle are understandably worried about the price of gasoline, but other markets need to be worried as well. Airlines have already announced fare increases because of rising fuel prices and several have indicated a cutback in flights and “parking” of less fuel-efficient planes; efforts that will decrease airlift capacity at a variety of destinations and could adversely impact travel to some locations, both business and leisure. Will this also slow recovery in the meetings market as video conferencing through widespread “apps” such as Skype gain adherents?

Recovery in the meetings market actually began in March 2010 with year-over-year growth according to Smith Travel Research (www,strglobal.com) but we’re not back to pre-“mess” levels yet. PKF Hospitality Research’s (www.pkf.com) annual survey of meeting planners in October 2011 indicates that the rate of growth may be reaching a plateau with the majority of planners (62%) indicating that the number of meetings will remain the same in 2012 while 80% of the planners said the same thing about exhibitions. At the same time growth in attendance also appears to be slowing with only 38% of planners expecting an increase in 2012.

Renovations

There is a growing interest by the chains – and even many owners – to attend to renovations and upgrades that may have been put off during the recent economic unpleasantness. Updating facilities and adding amenities becomes more important as properties in your competitive set undertake their own Product Improvement Plan whether dictated by the brand or due to the perception of the owner or the management company. In the process, remember that the new ADA requirements are in effect as of March 15, 2012. Patrick Mayock, in a March 12, 2012 article in www.HotelNewsNow.com goes into some detail and provides a link that is more detail. It is worth noting that he quotes experts that indicate that in some instances, if you comply with the 1991 standards you may not need to update until you undertake alterations. The necessity to comply with new requirements not covered previously, have a very subjective guide of “readily achievable” with the burden of proof on the hotelier.

The New “Normal”?

Asked here first last year – Does the expected further rise in gasoline and other fuel prices foreshadow a “new normal” in travel? Indications are that Americans are cutting back on driving (national fuel consumption figures are down) and comments from some pundits indicate that airlines are putting fewer seats in the air to conserve fuel while cruise lines are trying to absorb fuel price increases without raising ticket prices too much. Does this mean vacationing closer to home?, Or fewer “getaway” weekends? Or saving up for one annual “splash”? The economy already indicates that people are saving more and spending less.

A recent article in www.HotelNewsNow.com by John Buchanan (March 12, 2012) quotes Four Seasons executive VP of Marketing Susan Helstab: “The shift over the last three years in what consumers expect … is frightening in terms of how quickly those expectations have changed and how high they are.” Buchanan indicates that the overarching trend is toward the pursuit of perceived value, based on individual tastes and preferences, rather than just rate according to Peter Yesawich, vice chairman of MMGY Global.