



ROOM SELLING TECHNIQUES

UP SELLING:

The word up selling is basically means to describe the activity of the front desk staff is being able to sell a higher priced room to a guest who might have come with a concept of hiring a comparatively a lower category room. It is also called as sell high where a good receptionist with the ability of being a good salesman can persuade a prospective buyer to buy a higher priced room by projecting the features of the room in such a way that the prospective buyer is allured to buy the proposed accommodation without raising many queries. Thus up selling the customer refers to the situation when we are selling something more expensive then what he initially planned for.

Up selling is also called suggestive selling. The role of receptionist is very important. Up selling is an art and skill of good salesmanship. Some of the room selling techniques are

1) Telephone Salesmanship:

Since the caller is not directly in contact with the front desk staff and cannot see him it is very important that the person handling the telephone call is able to give a warm and courteous conversation to the caller. The receptionist should not have a tendency to treat such enquiries lightly, and should give his full and undivided attention. The approach of the staff will be instrumental in gaining or losing a potential sale for the hotel. Since the prospective guest is on telephone, the receptionist /reservationist must be able to communicate to the prospective guest the product or services in such a way that the guest is able to perceive a picture of this product which matches his requirements and is immediately ready to buy it .The person describing the product should be specific while describing the room, for e. g, size, location, furnishing, fixtures etc.

2) Selling room to prospective guest who is concerned about the prices:

A guest who is not ready to pay more but at the same time expecting a superior product is very difficult job, and hence it is very important for the receptionist to picture or describe the product when quoting any rate. The receptionist should not begin with quoting a lower rate and he should offer a range of products with ranging price and should allow the guest to make the selection. Don't undersell, try up selling, If the receptionist is a good salesman and is able to highlight features and facilities he would always be able to make a higher sales, while up selling be careful that you are not pushing the guest towards a higher rate because if the guest gets a feeling that he has been cheated then although the hotel might get the higher sale but he will not get the repeat business.

Guest who has made an advance booking: In this case guest has already decided as to what he wants, that is what type of room and what rate he wants and up selling may be a challenge in such case. Some techniques like highlight the USP and also like sandwiching the price of the higher room between two plus points of room may prove to be quite beneficial.

For e.g. Suppose a guest says, give me a single room, then the receptionist may be able to sell a higher priced room by saying "Sir i have an ordinary room for Rs 4000/-- per day and also I have a room with a view of sea on 2nd floor for Rs 5000/- only and room has antique

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furniture. In this case receptionist is smart putting the price factor between two positive features and highlighting the features of the room.

3) **Selling during rush hours:**

Usually hotels have a set pattern of arrivals load for e.g. in case of an airport hotel the load of the guest usually is in the night and there is heavy load of arrivals during night period. The selling ability and skills of a receptionist to an unannounced guest are put to test in such rush hours. His patience with the guest and how calmly and efficient, he is able to deal with such guest is of great importance. In order to be able to attend to unannounced guest efficiently the hotel may open a new and extra arrival registration counters for the heavy check-ins

4) **An undecided guest:**

This category guest provides an excellent opportunity to the receptionist to up sell the room. When such a guest arrives without any pre notice it will be easy for the receptionist to convenience him to buy a higher priced room. For such a guest the receptionist should first try to find out why is he in the city. This could provide him lead for promoting certain types of accommodation. Offer the guest a variety of room explaining the features and merits of them. Always promote a higher rate accommodation first, as it is easier to back down rather than to try selling up.

In case of a walk in guest a smart receptionist can definitely, by his sales skill convert ordinary sales into a more lucrative business.

For e.g. Suppose a walk in guest comes to the counter and ask for a room. A smart receptionist will say "Sir" I have an inside room on a higher, and that shall be Rs 5000 per night and also I have a room facing swimming pool on the 3rd floor and it is only Rs 6000 per day. I am sure you would love the view from its balcony of the higher floored room." It is very likely that the prospective guest would go for a higher priced room because it has more benefits.

The management should try to inculcate the art of selling skill in their staff by conducting sales and marketing training sessions from time to time. Staff should be encouraged to talk to the customer about the complete range of rooms that the hotel has to offer.

Certain points need to be kept in mind while up selling.

Watch: (The receptionist watches) A couple coming to the hotel dressed more formally than usual.

Listens: (The receptionist listens): it is our wedding anniversary.

Motive : (The receptionist deduces) Pleasure.

Characteristics: Special room, special food, more personalized service, relaxed atmosphere, soothing music and dancing.

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Product offer: (The receptionist offers and is able to sell). A honeymoon suite at a special discounted with complimentary champagne bottle and a platter of cookies with a deluxe bouquet and dinner in “roof top restaurant.”

Need of this couple: initial need of the couple was a double room and a dinner at coffee shop.

Comparison: “Sir a double room is fine but not so exciting so as to make this special day a memorable day of your life and the food of coffee shop is good sir, but you miss out romantic atmosphere of our roof top restaurant “sir.

Up-selling brings in a healthy spirit of competition amongst the staff and ultimately this helps in increasing the revenue. The process of up selling basically creates need and want for the new product or service by highlighting its benefits and the comparison with the initial product benefit also making him feels that if he did not buy the product now he is going to lose a great opportunity of his life

Ten Commandments of a good sales person.

- 1) Speak to people
- 2) Smile at people.
- 3) Call people by name.
- 4) Be friendly and helpful.
- 5) Be cordial (Speak and act as if everything you do were a genuine pleasure)
- 6) Be genuinely interested in people.
- 7) Praise.
- 8) Considerate with other feelings
- 9) Be thoughtful of others opinion
- 10) Be alert to give service.

DISCOUNTS

The word discounts means deduction from nominal value or price of anything for payment before it is due or for prompt payment. Discounts rates are of many types are offered to achieve maximum occupancy and ultimately maximum profits. The main aim of variance in the room rate from the rack rate i.e. discounting is to get more business and to make the product as closely as possible to the needs of the prospective buyer for e.g. to attract more business from companies and corporate offices the hotel may offer a specific percentage of discount may be given to travel agent for providing group business to the hotel.

The front office must be made aware and briefed about various categories of tariffs to enable them to identify as to whom to be is offered what rate when they come to hotel. The principle of giving discount is same in all cases .Organisation which give the most of business to the hotel are given discount. Discounted offers to various categories of guest in addition to corporate and conferences organizers, discounted rates are also given to senior citizen and government officials etc.

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Having established that the **rate cutting** is very important for increasing occupancy the next step is that we must understand what the effect will be, reduced revenue generation, providing we still achieve the same occupancy percentage as we have been doing before the rate cutting. Rate cutting is done in those situation when the room are vacant and had there been no rate cutting the revenue generation would have been zero ,but at the same time we should also realize one very important fact, cutting and making sales effort **increase occupancy percentage** then why we can't make more vigorous sales effort to increase sales, i.e. increase more occupancy and hence achieve more revenue generation for the hotel .In other words by our efforts we can generate more revenue by doing a vigorous sale or increasing the occupancy%.

This can be explained by given example.

Suppose we have **10 rooms** and **ARR is Rs 1000** and **Average occupancy is 80%** then the **revenue generated shall be: $1000 \times 10 \times 80/100 = \underline{\text{Rs } 8000}$.**

Now we are ready to sell the room at **20 % discount** (In order to fill up the vacant room.) then in order to **achieve the same revenue generation (i.e.) Rs. 8000**, We will **increase the occupancy %** from 80 to 100 % so as to achieve the same revenue generation (i.e.) Rs.8000. So new rate is $20/100 \times 1000 = \text{Rs } 200$. **So $1000 - 200 = \text{Rs } 800$** . To achieve the revenue of Rs 8000 we have to sell all the 10 Rooms. **So $800 \times 10 = \underline{\text{Rs } 8000}$.**

Hence we conclude that to maintain equivalent revenue generation with reduce rate, sale has to be increased.

Now let's take one more e.g. including Marginal cost. (Marginal cost means cost of all those items which will be there only if the room is sold and will not be there if the room is not sold for e.g. the cost incurred on cleaning and guest supplies etc.

Rack rate is Rs. 1000 and **Marginal cost is Rs 100** and if we subtract this figure from room rate then we are left out with **Rs 900** and hence the revenue generated shall be **$900 \times 10 \times 80/100 = \underline{\text{Rs } 7200}$.**

Now if we have to **achieve the equivalent revenue** with a reduce rate of 20% (i.e.) Rs 800 and from this subtraction the marginal cost we are left with Rs 700/-- ($1000 - 100 - 200$) the required occupancy % has to be 103%. **So $700 \times 10 \times 103/100 = \underline{\text{Rs } 7210/-}$.**

