

How to Upgrade Hotel Sales and Revenue Management Incentive Practices & Improve Plan Satisfaction

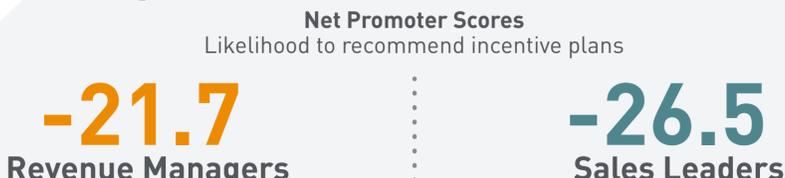
A new incentive compensation study from ZS and the Hospitality Sales and Marketing Association International (HSMAI) Foundation reveals opportunities to improve incentive plans.

Hotel industry continues to grow but employee satisfaction lags



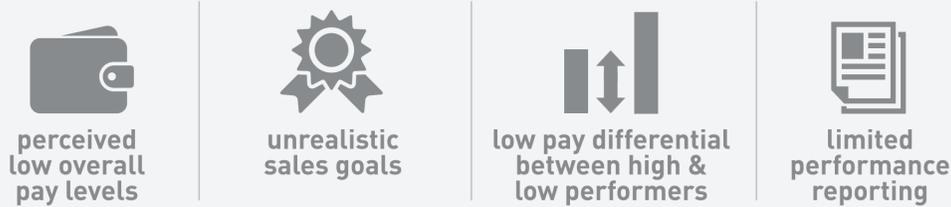
HSMAI members in US and Canada surveyed

Low satisfaction with state of current incentive plans



Net Promoter Score is calculated by [% of total Promoters - % of total Detractors]. All figures are a percentage of base salary.

4 common themes of dissatisfaction



Drivers of high satisfaction



The good news

The four key identified challenges each come with opportunities to improve sales and revenue management incentive plans.

1. Set competitive pay levels

Benchmark the competition regularly and align pay levels to maintain a strategic advantage in the market.

Higher compensation levels among the respondents corresponded to an increased likelihood to recommend their plan



2. Set achievable goals

Hotels are setting goals out of the reach of their sales and revenue management teams.



3. Improve pay for performance

Hotels should set payout rates that allow the true stars to earn much more at the upper end.



Top-to-Average Performer Incentive Pay Ratio

4. Timely, efficient performance reporting

Access to reporting tools, especially more sophisticated options, increased the likelihood of sales professionals to recommend their incentive plans.

Likelihood to recommend their incentive plans



Looking Ahead

The hotel industry's cyclical nature and sensitivity to economic changes may prevent management from simply increasing overall compensation, but there are other nonmonetary drivers of satisfaction.



Hotels have an opportunity to improve incentive practices by taking a more systematic approach to evaluating and improving their plans. Driving better motivation, engagement and retention can contribute to the bottom line.

Source

- 2014 ZS Hotel Sales Incentives Practice Research Study
- <http://www.hotelnewsnow.com/Article/14804/STR-Tourism-Economics-release-2015-forecast#sthash.LXITHSc.dpuf>
- Download the executive summary for more information about this research