



Call on Hostmark Hospitality to boost bottom line performance.



Objective Management

Deal Sourcing

Special Servicing

Expert Opinions

Press Releases

Our Properties

CRMA-Chicago
Brian Tkac
December 2, 2004



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Hospitality to
boost bottom line
performance.

Experience

- 263 Hotels & Resorts
- 42 Independent properties
- 40 States
- 3 Countries

Management Team

- Expertise in each discipline of Hotel operations

Creativity and Flexibility



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Hospitality to
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Marketing & Sales Support
Human Resources
Operational Systems
Food & Beverage Systems
Asset Enhancement
Purchasing
Accounting & Financial Reporting
Information Systems



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Objective Management

Individualized to the asset and its market position and potential

Special Servicing

Selected by nation's largest lenders for takeover and disposition

Deal Sourcing

Active in seeking quality acquisition assets for existing and future client base

Hospitality & CRM

- Hostmark utilizes outsourced CRM practices in Sales, Marketing and Data
- Users of CRM practices are
 - Corporate-level sales & marketing executives
 - Property-level Directors of Sales/Marketing
 - Property-level General Managers
- CRM choices are mostly based on an ROI basis
 - Integration to required operating systems is main decision factor
 - Guest communication and profiling is most common need at property level
- Industry-wide, few management companies or individual properties embrace CRM as a method to drive long-term, top-line revenue
- Largest detriment to CRM utilization is the talent factor

Hostmark & CRM

- Current CRM-related infrastructure and assets
 - What is outsourced:
 - ✓ Data warehouse
 - ✓ Intelligence
 - ✓ Internet elements
 - ✓ Direct sales
- Expense and complications in interfacing non-ASP operating systems are deciding factors to outsource CRM functions
- Utilizing outsourced providers has pros and cons:
 - Pros:
 - A focused source understands the big picture and supports the education process
 - Less expense than property implementation
 - Cons:
 - Less active control for queries,etc
 - Dependence

Case Study: Full-Service Resort

Outsourced: Data Warehouse

- Most important of all CRM practices, it houses all communication, profiling, yield, demographic (MSA, SCF) and transaction information for resort
- Works independently, allowing all distribution data sources to dump information into the server on a daily/monthly basis
- Processed data is used to profile, trend, communicate, apply modeling (yield strategy) and strategically mine for future and current business

Case Study: Full-Service Resort

Outsourced: Intelligence

- We utilize outsourced competitive intelligence to help make CRM decisions on where we need to grow market share
- The overlap of achieved or projected market penetration with transaction production (data mining) determine where sales efforts are directed and marketing dollars committed
- Examples of such intelligence data that is purchased; STAR, TravelClick, Travel Axe, City Pace

Case Study: Full-Service Resort

Outsourced: Internet elements

- The hotel/travel industry has become the number one source of internet related commerce

Utilized sources:

- Wholesale merchant model – e.g., Hotels, Expedia, Orbitz
- Development of property proprietary websites
- Booking engine transaction models
- Outsourced optimization companies
- Outsourced intermediaries for marketing – e.g., TravelZoo
- Database Eblast template resources – e.g., emailguests.com

Case Study: Full-Service Resort

Outsourced: Direct sales

- Applications that manage group and client profiles and the sales process (works like ACT software)
- Manage national loyalty programs for properties
- Representation companies and the largest outsource in the Sales and Marketing is a national franchise

Summary

- Our biggest obstacle in managing CRM outsourcing:
- Understanding the big picture objective combined with the marketing talent (i.e., level of comprehension) that is attracted to the hotel industry
- We believe in the investment because it does pay off on overall long-term ROI
- CRM combined with ASP technology is the future