



5 Sure Ways To Increase Your Franchise Hotel Room Occupancy Rates

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The United States hotel industry generates well over \$200 billion dollars in sales and revenue each year. The industry is represented by hotels, motels and resort accommodations. There are over 55,000 establishments nationwide being used for leisure, business, tourism and domestic and international travel.

Hotels are the largest subsector of the US travel, tourism and hospitality industry. As a whole, it is rapidly growing and packed with opportunity. This is great news for you as a franchise owner or potential buyer who is looking to run your own establishment.

This Balboa Capital whitepaper highlights five useful strategies to increase your hotel's business so you can stay competitive within the franchise industry.

1. Utilize the Franchise Brand to Drive Success

As a franchise owner, the physical brand of your establishment can and will drastically affect the success of your business. Take the steps necessary to ensure that you have a well-appointed franchise hotel, both externally and internally. A great experience can only happen once consumers decide to give you their business. Your hotel should be well maintained throughout, which includes the upkeep of floors, furniture, lights and fixtures. All of these aspects are extensions of your brand and speak volumes to your franchise's name.

Choose a Preferred Financing Resource

One of the most resourceful things you can do as a franchise owner is to leverage the franchise for marketing campaigns, operations support, as well as financing. Most franchise brands have preferred lenders they work with to provide financing to business owners. Whether you need to acquire new equipment, signage, marketing materials or a cash loan for your business, one of your franchisors' preferred financing partners can help.

Every franchise owner has their own unique situation, and professional consultation is the best way to map out a sound financial strategy.

Deliver a Good Customer Experience

Customers have many options to choose from when it comes to lodging accommodations, and brand recognition can heavily influence their choice. Defining who your intended audience is and what they expect will help you understand and identify exactly what you need to do as the business owner to appeal to them, capture their attention and ultimately lead them to select your hotel.

Acknowledge what you are doing well, where there is room for improvement, and never underestimate the power of great customer service to make a lasting impression on your guests. Your location will stand out among others of its brand if your guests feel like they have received superior service. Happy guests will generate referrals and repeat stays, both of which will be the backbone of your franchise's long term success.

2. Invest in Hotel Re-Imaging Efforts

If you own a franchise hotel or motel then you are well aware that the parent brand dictates what upgrades need to be added when reimagining campaigns are launched. These include logos, designs, colors, furniture, fixtures and equipment (FF&E) among other upgrades. Such renovations, while necessary, can be extremely costly. Instead of using your cash or credit lines to fund them, consider leasing equipment or acquiring a working capital loan, which you can use however you see fit.

Flexible Financing Options

Business owners have used working capital loans for a variety of purposes, and have found them useful to get ahead of their competition. Leasing your new or upgraded equipment allows you to get the equipment you need for a manageable monthly payment, so you can reserve your cash for slower times and other areas of business.

Re-Imaging Can Affect Your Bottom Line

Reimagining programs should be viewed as an investment in your business and will yield a positive return. The sharper your establishment looks, the more likely it will create preference among your intended audience, resulting in higher room occupation rates and an overall increase in your bottom line. If you run a restaurant or food service within your hotel, this opens up a host of required upgrades and furnishing including FF&E, menus and signage to name a few.

Interior remodeling is extremely important in a restaurant setting. Keep all aspects of the interior and exterior looking sharp and inviting to guests by providing a welcoming environment that inspires a return visit. Keep your menu fresh and up-to-date, and pay close attention to detail when it comes to cleanliness to create a pleasant dining experience.

3. Incentivize Guests and Potential Customers

A great way to generate both new and repeat business is by offering incentives to your guests and potential customers. Give the guests staying with you a gift-certificate to the restaurant at your hotel or offer another complimentary service. You may also want to consider providing discounts on stays during slower periods or create a referral program for loyal customers.

Strategies to Consider

Strategies can include anything from providing discounted room upgrades or a complimentary night's stay. Utilizing your social media platforms will help to spread the word about upcoming offers and events at your location. You can also create drawings and special promotions for your followers and friends on networks such as Facebook, Twitter, Google Plus and LinkedIn.



4. Choose the Right Financing Company

If your business is growing and you are looking to acquire an additional location, or you need cash for your business, finding the right lender is extremely important. If you are a business owner you are probably familiar with the often difficult process of getting financing for your operation. Re-imaging campaigns issued by the parent company of your franchise brand are often required within a certain time frame and are a necessary investment, though not always easily affordable.

Therefore, finding a reliable financing company to rely on for your franchise funding needs can be your ticket to success. Contact your franchisor for preferred lenders that specialize in franchise financing.

What to Look For in a Financing Company

A direct lender with a track-record of successful financing can offer a multitude of resources for business expenses. Whether you need a business loan for payroll, inventory, remodeling efforts, taxes or other expenses, a direct lender like Balboa Capital that specializes in franchise financing can offer you hassle-free borrowing options that fit your needs. Even with less-than-stellar credit and minimal collateral, a direct lender can provide you with manageable solutions to get the access to capital that you require.



5. Take Advantage of Section 179

The Section 179 tax deduction allows business owners to deduct a specific amount of the purchase price of qualifying equipment and property that is purchased and put into business use during the calendar year. This can be a great benefit to your hotel when it comes time for new equipment purchases or upgrades. Section 179 applies to all types of equipment that is used by hotels, but check with your accountant to make sure that the equipment you need qualifies.

Better Looking Rooms, Better Looking Balance Sheets

Hotel franchise expenses can add up quickly, particularly if your hotel needs new or updated equipment and furniture. Fortunately, this tax deduction can help reduce the financial burden that comes with buying or financing hotel equipment and give you better looking balance sheets. The Section 179 tax deduction can be used by sole proprietors, partnerships and corporations.



Summary

The competition is growing as more and more hotels join the market and movement increases. It has never been more important to strengthen your hotel and set your business apart from others as a preferred destination. Remaining competitive will give your hotel the edge it needs to succeed.

Balboa Capital hopes you found this whitepaper to be helpful, and that your hotel franchise is poised for success today, and for many years to come.

About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing.

Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. Visit <http://www.balboacapital.com> to learn more.

