

Marriott reorganizes in local market to protect jobs; Ridenour moves to dual GM role, oversees Residence Inn and Courtyard properties in Melbourne; forms area sales team led by Braga

By Ken Datzman

Marriott Corp. is leveraging its management resources and using an innovative approach to help protect jobs and reduce costs at two of its hotel brands in Melbourne as the industry braces for another challenging year in 2009.

As part of the reorganization, Jim Ridenour, the current general manager of Residence Inn on South Babcock Street, has moved to a dual-GM capacity. He has taken on the same title at the Courtyard by Marriott on West New Haven, a property he ran for years before opening the local Residence Inn in January 2008. The two hotels are roughly three miles apart.

"We're fine-tuning in order to protect jobs during a very challenging market environment for the hotel industry," said Ridenour, a retired U.S. Air Force colonel who piloted fighter aircraft in Vietnam and flew more than 3,000 hours during his career, which included tours in Panama and Germany.

"We don't want a single person at either hotel to lose his or her job. It doesn't mean every employee is going to work a 40-hour week, we may have to cut back some. But every employee will have a job. Industry forecasts for 2009 are not looking too good. The industry could see as much as a 10 percent drop in revenue-per-available room next year. So we're gearing up to meet that challenge. In this market, we think it's an innovative and bold strategy that Marriott is using."

The 133-room Residence Inn employs 28 people and the 146-room Courtyard 32 people.

A central piece of Marriott's strategy is a newly created area sales team for the two hotels. Julie Braga is now area director of sales for both properties, taking on an expanded role. She was director of sales for Residence Inn in Melbourne. Braga's sales team includes account executives Heather O'Neal and Chrissy Parker. "We are very excited about the opportunity to be able to market both hotels," Braga said. "It gives us more market leverage."

"From a general manager's standpoint, I couldn't ask for anything better than to have two products to market and be able to take them out to the community under one umbrella," adds Ridenour, a longtime community leader who is on the board of the Melbourne-Palm Bay Area Chamber of Commerce and serves on the City of Melbourne's Babcock Street Redevelopment Agency Advisory Committee.

"Instead of marketing 133 rooms at the Residence Inn and 146 year rooms at the Courtyard, individually, the sales team is now

out there selling 279 rooms. If you're planning a short-term stay, we've got the product. Courtyard is a 'short-term' hotel catering primarily to business travelers. If you're planning a long-term stay, we've got the product — it's Residence Inn. And the new structure allows one person to orchestrate the sales effort."

Residence Inn introduced the term "extended stay" in 1975 to serve the needs of business travelers seeking apartment-style accommodation for their longer stays. Often available for the same price as a standard hotel room, Residence Inns offer large suites with separate living and sleeping areas, and fully equipped kitchens.

In addition to the sales team, other key members of the reorganization staff at the two hotels include Michael Schaaf, assistant general manager, Residence Inn; Barbara Cote, assistant general manager and operations II manager, Courtyard; and Denise Thompson, guest-services manager, Courtyard.

"I couldn't oversee both properties without the team we have in place at the two hotels. You've got to have a strong team in order to make this work, and we have it," Ridenour said.

Hotels around the nation are facing declining occupancies and lower room-rate growth, as the supply-and-demand equation is out of sync in markets of all sizes because of the economic downturn.

Based on current forecasts for the U.S. economy, and historical data from Smith Travel Research, PricewaterhouseCoopers LLP projects a 5.8 percent revenue-per-available room, or "RevPAR," decrease in 2009, following a 0.8 percent drop in 2008. This represents the first consecutive two-year RevPAR decrease since the 7 percent and 2.7 percent drops in 2001 and 2002, respectively.

"In Brevard County, the hotel industry is down 12 points from 2007," said Ridenour, a member of the Brevard County Tourism Development Council. "Last year, we finished down about 6 points. So, in a two-year timeframe we've lost about 18 percentage points in RevPAR across the county. It varies from market-to-market around Brevard."

Business travel remains steady, especially in South Brevard, he said. "However, the stays are shorter. Generally, a business traveler would arrive on a Sunday night and leave on Thursday or Friday. Now they are coming on a Monday night and many of them leave by Tuesday morning, or at the latest Wednesday morning."

Since occupancy is down, it allows consumers the opportunity to "shorten the booking window" for a hotel room, Ridenour says. "In 2005, if you wanted to book a room at the



BBN photo — Adrienne B. Roth

Two Marriott brands in Melbourne — Residence Inn and Courtyard — are taking some innovative steps to better deal with the industry slowdown. The measures include the creation of an area sales team that will market both hotels. Jim Ridenour, seated, current GM at Residence Inn, will oversee both properties, which are about three miles apart. From left, in front: Barbara Cote, assistant GM and operations II manager, Courtyard; Denise Thompson, guest-service manager, Courtyard; and Heather O'Neal, account executive. In back: Julie Braga, area director of sales; Michael Schaaf, assistant GM, Residence Inn; and Chrissy Parker, account executive.

Marriott you had to do it three weeks in advance. Today, the booking window has narrowed to a day or less, and a lot of people don't even book, they just walk into the hotel because they know rooms are available, and at the best rates."

Marriott has built a repeat-customer base and the company's Rewards program has played a role in bringing people back to its hotel. Last month, Marriott Rewards marked its 25th year. What began as an effort by a few hotels to reward guests for their loyalty has turned into one of the industry's biggest success stories. "Marriott Rewards is the granddaddy of such programs," said Ridenour. "We're proud of our success in that arena."

Marriott Rewards, the longest continuously running hotel program, was the first to combine brands and allow members to earn points toward free stays at multiple brands. It was also the first program to allow members to earn "elite credit" at all brands.

Marriott Rewards recently announced that it is eliminating "blackout" dates beginning Jan. 15, 2009. There is no charge to join the program.