



November 2018

Hospitality Hotline

Connecting the industry through
Advocacy, Education and Partnerships

News from... THE EXECUTIVE DIRECTOR

Welcome New Members

ACTIVE
Aloft Ocean City

ALLIED
Capital Electric

HSMP is Back!

The Hospitality Sales & Marketing Partnership gathered for many years, faded away and now it is back! We'd like to invite any member hotel, restaurant or attraction sales & marketing staff, to join with your colleagues to brainstorm group business and work in tandem to support the Town's sales efforts. This is our opportunity to work collectively to sell the destination and create a culture of kindness to entice business to come visit OCMD! Think about it....if you have an inquiry and can't accommodate the group, send the lead to a colleague ~ it's better to have the group come to OC than to choose another destination! If you aren't receiving our invites and you'd like to get on the invitation list, please let us know!

DE Rest Assn Initiative

Our friends at the Delaware Restaurant Association have launched a wonderful initiative and asked that we share with our community. This innovative, online management training course tackles the presence of drugs and alcohol in the workplace; specifically the nation's restaurants. Downloadable and fully customizable policies, best practices, scenarios and HR techniques are designed for restaurant managers.

To learn more, visit:
<https://www.hospitalityhrcenter.com/>



November Dinner Meeting Kick off Networking!

Maryland welcomed 41.5 million domestic travelers in 2017, according to a national survey of U.S travelers conducted by D.K. Shifflet and Associates, a leading tourism industry research firm. Nearly 84 percent, or slightly more than 34.7 million, were leisure travelers. Join us for our November Dinner Meeting to learn more about tourism trends and visitor analysis from Liz Fitzsimmons, Maryland's Director of Tourism, Film and the Arts. **Due to the MD Travel and Tourism Summit conflicting with our usual third Thursday, the dinner will take place on Thursday, November 8th at the Carousel Resort Hotel.** Networking will begin at 6pm with dinner at 7pm followed by Liz's update on tourism. As always, the menu looks scrumptious! If you haven't already done so, RSVP today at 410.289.6733.



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THE DISH: *Restaurant industry trends* By: Peter Romeo, Restaurant Business

7 REASONS TO SHOW YOUR EMPLOYEES THEY MATTER

Shocker of shockers: Labor was a major focus of the educational sessions offered during the National Restaurant Association's annual convention.

Wally Doolin recounted how he and several acquaintances had descended on the lobby bar of Chicago's Fairmont Hotel three days beforehand—only to find it closed. "It's 4:30 on a Friday during the NRA Show and they're not open," Doolin noted with clear amazement. "Why? Not enough staff."

That wasn't the only observation that attendees likely filed away during the first three days of the show. Among the other points that seemed to have them scribbling notes:

1. More important than the menu
Forcing restaurants to curtail their hours of operation isn't the only way the labor situation is eating into sales. TDn2K compiles information on chain restaurants' labor dynamics, sales performance and consumer perceptions. Analyzing those three data sets, the research company discovered that menu innovation and execution are not what separate top-performing concepts from the also-rans, Wally Doolin explained. The key determinant was the longevity of their staffs.

Turnover rates for hourly employees of the standouts tended to fall about 30 percentage points below the clip for the weakest performers, and the management churn rate was about 20 points lower. "What we found is that food and beverage innovation is table stakes; you need to do it, but it's not sustainable," Doolin said. The ironclad correlation with success? "It was GM retention."

2. 'We can't recruit our way out of this'
If the industry wants to temper the pain, it has to focus on cutting a turnover rate that's running more than 20 percentage points above the level of four years ago for limited-service places. "We can't recruit our way out of this," said Joni Doolin. "We have to focus on keeping the people that we have."

3. Know thy managers
A good way to do it, suggested Roz Mallet, a franchisee of Buffalo Wild Wings, Smashburger and Corner Bakery, is by fostering a relationship with general managers. And that holds true if an operation has two or 200 units, she continued. "You cannot take it for granted that they know you appreciate what they do," said Mallet, whose operations are located in airports and military bases. "If you don't pay

attention to this piece, you will not be in the top quartile, period."

4. Yet GMs are doing worse today
"We actually do less for our general managers than we did eight years ago," said Joni Doolin. She explained that today's GM has to master a host of new competencies, from technology to managing social media and serving four generations with sometimes radical differences in their preferences. And all with less staff because of cutbacks and the tight labor supply.

Yet, "we're actually paying them less, dollar to dollar," said Doolin, referring to inflation. "What's happened is, as we've juggled, we've shifted resources, and the GM is the one who's suffered. That GM is worth every ounce that you can put into them."

5. Training has to improve
Mike Archer, CEO of Houlihan's and the third participant in the session featuring Mallet and Wally Doolin, noted that the tight labor supply is a non-negotiable mandate to upgrade training.

"We have to be better at training people than ever before," he observed. "We find people that want to work for us, but they have zero experience in restaurants."

6. Outgigging the gig economy
Victor Fernandez, director of insights and knowledge for TDn2K, noted the industry's increasing alarm about competing with the so-called gig economy—the part-time, largely self-supervised fields of work presented by the likes of Uber and Lyft.

Joni Doolin noted that restaurants themselves aren't cut off from that world. "There are places where you as a restaurateur can hire gig employees," she said, referring to a new crop of temp agencies that specialize in restaurant jobs. "There are people who are going to be knocking on your door, saying, 'I can cover your shift on Tuesday afternoon.'"

7. Stress the positive
Mallet noted an effective performance booster that her company, PhaseNext Hospitality, had adopted at its highest-volume Buffalo Wild Wings restaurant, a store in Atlanta. "We started talking not about counting the number of complaints, we started talking about counting the number of compliments," she explained.



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OCEAN CITY & MARYLAND NATIONAL GUARD PARTICIPATING IN "OPERATION TOURIST BOOM"



The Town of Ocean City is teaming up with the Maryland National Guard to host a multi-agency training exercise on Saturday, November 3, in the Inlet Parking Lot and the surrounding downtown area. The exercise, named "Operation Tourist Boom," occurs during the Guard's regular drill weekend and focuses on decision-making, coordination and integration with allied agencies in a realistic training venue.

These types of events are done on a predictable basis to help the National Guard synchronize with first responders from all levels of government. Along with the Town of Ocean City, members from the Maryland Emergency Management Agency, as well as dozens of local, State and Federal first responders will participate, totalling nearly 1,000 training participants.

"Operation Tourist Boom will consist of several simultaneous complex incidents," commented Ocean City Emergency Management Director Joseph Theobald. "The training is designed to provide dynamic, high-intensity and realistic scenarios to test decision making and response during an emergency."

Members of the public are welcome and encouraged to come out and see their community working together. Exercises will begin at 6:30 a.m. and run through 6:30 p.m. with various viewing areas available for spectators.

OCHMRA Roundtable Recap

Thank you to everyone who attended the recent roundtable; it is always good to connect and communicate with one another! One topic which received lots of discussion was the practice of OTAs (online travel agencies) bidding on independent hotel names. This practice puts OTA websites above the official hotel website on search engines and continues to confuse the visitors who think they have booked on the actual hotel website. When the visitor has reservation issues, they often blame the hotel and not the OTA. Currently, the Association is working with a trademark attorney to address the issue; it is imperative independent businesses protect their name. Additionally, the American Hotel & Lodging Association has taken up the issue and is working with the Department of Commerce and the Federal Trade Commission who is the enforcement side. It is important that contracts are read prior to being signed. If your pictures are copyrighted and used on other sites, then the FTC can assist.

Roundtable discussion also focused on the increase in both hotel rooms and restaurant seats and the need for a concerted effort to create the demand to fill the inventory. Everyone agreed that spending more money on advertising may not be the best way to increase demand. One segment, which could provide the desired family visitor and had a real opportunity for growth, is sports tourism. The Town's budget was also discussed, along with the need to create new revenue streams. Revenue sources which the Mayor and Council have debated include property tax, parking fees and room tax. Of those three options, everyone agreed room tax was the easiest target. Finally, the labor issue was brought up and the need to protect the J1 Summer Work Travel program. Most likely, this issue will resurface at the MD Legislature over the winter. Stay tuned.





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REST EASY: *Lodging industry trends*

By: David Eisen

HOW HOTELS CAN BEAT HOME SHARING

The hotel industry likes to whine. It's true, right? First (and still), the online travel agencies. Hoteliers love to bemoan what they allude to as egregious commission structures. Turns out, hotels have always been receptive to the traditional 10-percent travel agent commissions, but hike it up to 25 percent and throw it online and hoteliers scream bloody murder. To be fair, there are "Goodfellas" characters that would blush at that rate.

Hotel chains and their owners are never going to wrestle back control of their inventory unless they take the intrepid step of pulling their hotels off the OTA sites. I don't think this will ever happen, though the impasse between Hyatt and Expedia, which appears to have been hashed out, shows just how serious negotiation talks between hotel chains and OTAs have become. And while hotels continue to collaborate with OTAs, in recent times they've made efforts to drive a bigger proportion of direct bookings, their cheapest reservations channel.

Short of ridiculing the Travelocity gnome's height, hotel companies, to some degree of success, have pushed the notion that booking direct is unfailingly the customer's smartest move: lowest rate, loyalty-point accumulation, peace of mind that the booking is not in the hands of a third party should something happen, so on and so forth. Hotels have made strides in doing that and it's the same adherence to message that could help them blunt the impact of today's most pressing disruptor: home-sharing platforms.

The AH&LA and other lobbying groups continue to mount campaigns over the legality of sites like Airbnb—and hotel companies and owners should allow them to continue to do this on their behalf. But instead of whining over a level playing field—taxation, fire, life and safety (all important issues)—hotel companies and owners, in order to beat back home sharing, should promulgate their strengths while underscoring home sharing's weaknesses.

In San Sebastián, Spain, on vacation, a group of us used HomeAway to find an apartment. It was cheaper than any hotel in the area (they were all sold out) and had a stunning view of the sea. All compelling reasons to use home sharing—I get it. Here's why not.

First, what better after a long trip than having to call your "host" and wait 25 minutes for her to show up with the key? Then, once she arrives, the requisite tour and instruction on how to turn the lights on and off. Second, we were there four nights and afforded one towel each. Not that I necessarily needed it since I could spit sunflower seeds harder than our shower's water pressure. Still, there was no housekeeping to replenish any linens, nor were there any travel amenities, such as shampoo or soap. Third, and what drew my real ire, no responsiveness to a vexing event.

At one point during our stay, we were locked out of the apartment. If you lose your keycard at a hotel, a quick trip to the front desk will remedy the situation. Not here. A string of phone calls to our host went unanswered, as did texts and emails. Yes, the situation was our doing, but to not have recourse to fix it was unacceptable and infuriating. Luckily, we found another tenant in the building who was able to hop the balcony and let us into the unit. Oh, and he never even asked if we were actually staying there.

Here's the upshot: the things that make hotels great can be used to dilute home sharing. This is my major issue with the hotel industry: instead of being complaintive, show conceit. Don't beat around the bush; tell the consumer bluntly why you are the better product. It's not about disparaging the other; it's about showing your wares, your benefits.

OTAs have taken their slice out of hotels. Home-sharing sites are turning residences into business opportunities. There are disruptors out there with a taste for blood. It's time to pull out the crucifix.



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Member highlights

Congratulations to **Jason Meisner, Rare and Rye**, and **Nan Leonard, IMG Insurance**, on their recent wedding. Congrats to **Sonia Baker, The Bank of Delmarva**, on promotion Assistant Vice President, Relationship manager for Worcester County and Ocean City Market. Congrats to **Reid Tingle, Bank of Ocean City**, for being elected to the Independent Community Bankers of America Federal Delegate Board. Congratulations to **Deeley Insurance** for being named one of the best places to work by Business Insurance Magazine. Welcome **Phil Spinozza** to the Food & Beverage team at **Horizon's Oceanfront**. Welcome to **Galen & Julie Gardner**, the new owners of **Donaway Furniture**. Congrats to **Glenn Irwin, OCDC**, and Pam, on recent wedding. Welcome to **Alexis Roskovich**, who joins the marketing team at **Becker Morgan**. Welcome to **Jenna Knight**, who is joining the **Tourism Department**, as **Lisa Osman** has transitioned to the **Convention and Exhibitor Services department**. Congrats to **Evan Elliott, Dough Roller**, and **Liz Newell, The Shark on the Harbor**, on their wedding. Congrats to **DeVanna Young**, the new GM of the **Fairfield**, and to **Alina Kellar**, who is moving to the **Real Hospitality Corporate Office**. Happy Retirement to **Kim Messick**, Furniture Queen.

Condolences

Condolences to **Jim Dickerson, Francis Scott Key Family Resort**, on the loss of his father, Chet Dickerson. Condolences to **Rolfe Hokanson, RAHokanson Photography**, on the passing of his mother-in-law.



Brews & Bites

November 8, 2018 @ 5:30 pm- 9:00 pm

Location: The Embers, 2305 Philadelphia Ave, Ocean City, MD 21842

To benefit The Macky & Pam Stansell House at Coastal Hospice at the Ocean.

Tickets: coastalhospice.org

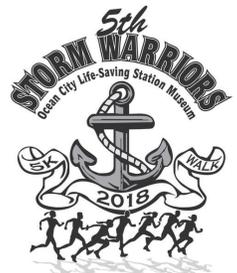
The Ocean City Museum Society's Fifth Annual Storm Warriors 5K Walk/Run

Saturday, November 10, 2018 @9am-12pm

Location: The Ocean City Life Saving Station

To Benefit the Ocean City Life Saving Station

octrirunning.com



1st Annual Bourbonfest

December 1, 2018 @1-5pm

Location: Residence Inn by Marriott on 61st St.

To Benefit Habitat for Humanity of Worcester County

www.eventbrite.com

Operation Shooting Star Fundraiser

Friday, November 9, 2018 @ 4-10pm

Location: The Cove Restaurant at Bayside

www.operationsshootingstar.org





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Help Believe in Tomorrow Win- Cast your Vote!

NASCAR announced the four national finalists for The NASCAR Foundation's Eighth Annual Betty Jane France Humanitarian Award on Sunday, October 21st at Kansas Speedway. Carl Dakes, a volunteer for the Believe In Tomorrow Children's House By The Sea was named as one of the finalists. The award honors NASCAR fans who are also extraordinary volunteers working for children's causes in their communities throughout the United States.

Carl Dakes was nominated by Believe In Tomorrow and was selected from among several thousand applicants by the NASCAR Foundation. Carl, who owns the Dakes Company based in Crofton, Maryland, has donated thousands of hours of painting services to Believe In Tomorrow's nine pediatric hospital and respite facilities that serve critically ill children and their families. The Believe In Tomorrow Children's Foundation is known as a national leader in the area of support housing services for critically ill children. If Carl receives the most online votes, Believe In Tomorrow has pledged to use the \$100,000 prize to help expand the Believe In Tomorrow Children's House By The Sea in Ocean City, Maryland.

The award winner will be determined via an online fan vote now underway and running through Nov. 19 at 5 p.m. (ET) at www.NASCARFoundation.org/Award. The winner will be announced on Nov. 29 during the Monster Energy NASCAR Cup Series Awards at Wynn Las Vegas. **The NASCAR Foundation will donate \$25,000 to the charities represented by the award finalists, with the overall winner's charity receiving a \$100,000 donation.**



Recently, the Restaurant Association of MD held their EXPO at Martin's West in Baltimore. One of their educational sessions featured the MD Department of Labor and focused on paid sick leave. This issue continues to be of top concern to our industry. If you have not responded to the Chamber of Commerce's survey, please take a moment to do so. The comments from these surveys will be used to formulate strategies over the winter so we can hopefully introduce legislation.

Link to survey:

https://www.surveymonkey.com/r/Sick_and_Safe_Leave_Survey_OCCHAMBER

RAM provided the handouts from the MD Dept of Labor which you may find helpful – here is the link. Additionally, questions and answers which were submitted prior to the Expo can be found at this link.



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Congratulations to the Harrison Group on the Ribbon Cutting of the Doubletree by Hilton.



Congratulations to the Residence Inn Team on their Ribbon Cutting.



Susan and Liz promoting Ocean City at the Restaurant Association of Maryland Expo!

Ocean City Drug and Alcohol Abuse Prevention Committee's Annual Feast and Silent Auction

Fundraising for Play it Safe kicks off early next month with the annual auction and dinner. This year, rib feast will take place at Nick's House of Ribs in Ocean City. There are multiple dinner options for the event, as well as the auction.

Thursday, November 8, 5-8pm

\$15 per adult, \$6 under 9 (under 4 free)

For more information please contact 410-289-7060 or email playitsafeOC@gmail.com

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