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Kauai Shores Hotel in Hawaii underwent a two-year, \$10-million renovation, before management of the property was turned over to Hogan Hospitality Group.

## Relationships, marketing & service key to improving results

BY GREGG WALLIS ON SEPTEMBER 21, 2018

BEST PRACTICES

KAUAI, HI—In July 2017, after two years of extensive renovations had taken place at the Kauai Shores Hotel, Hogan Hospitality Group was brought in as the new management company for the property.

The \$10-million renovation project included 200 guestrooms, the lobby, restaurant, common areas and oceanfront pool and Jacuzzi overlooking Kauai's famed Royal Coconut Coast.

It was Hogan Hospitality Group's job to take the renovated hotel, owned by Jason Jones, and bring it to the next level—and it was able to do that. In the first year of operation, the hotel saw a 25.9% increase in room revenue and 12.1% increase in occupancy over the previous year.

"We saw tremendous opportunity to use our existing industry relationships and leverage the renovation to lift the hotel's performance," said Gary Hogan, CEO of Hogan Hospitality Group, parent company of Hawaiian Hotels and Resorts, which manages more than 1,200 rooms on Kauai, Maui and the Big Island of Hawaii. "Once we were awarded the contract, we lined up our partners—wholesalers, online travel agents, etc.—and hit the ground running."

Hogan said that the company relied on its long-standing relationships to work with those partners. "We saw that Kauai Shores had only a few wholesale contracts under previous management and knew that presented a prime opportunity to expand our leisure outreach," he said. "In just a few months after taking over management, we were able to secure nine wholesale contracts, resulting in a 100% increase in wholesale revenue."

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Gary Hogan Hogan Hospitality Group

The company also worked with travel agents to implement its travel agent incentive program at the property. "Through this program, we offer rewards such as free rooms, breakfast and luau tickets when agents book rooms at our properties," he said. "We created an amenity program so agents can express their appreciation to clients by sending a personalized gift and message. It's the little things that cultivate positive relationships between our partners, our guests and our properties."

For marketing, the management company used traditional and digital tactics to build awareness and drive growth. "We worked with local, national and trade media outlets to position Kauai Shores as a like-new property following the renovation," said Hogan. "We implemented targeted campaigns that blended radio spots, print advertising and digital marketing to reach select audiences and attract local

and mainland guests."

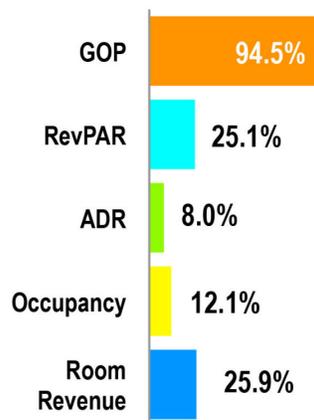
The company also kept the existing staff. "As a hotel management group born out of ownership, we knew how critical it would be to keep existing staff and work with them during the transition," he said. "We place high value on our employees, and our other properties—Royal Lahaina Resort and Royal Kona Resort—have one of the lowest turnover rates in the industry. We communicated to our staff at Kauai Shores that they were valued and that their jobs were not on the line. Keeping our staff intact and prioritizing open communication helped create a positive environment and ensured a smooth transition."

He continued, "Our employees are the backbone of our success and we have some staff members on Maui and Hawaii Island who have been with us for more than 40 years. The institutional knowledge and passion they have for their work is invaluable in creating and maintaining a positive employee culture. Invest in your staff and it will pay dividends in the long run."

When asked what advice he would give to other companies tasked with taking over management of a newly renovated property, Hogan stressed that taking a cookie-cutter approach was the wrong thing to do. "What works for one property may not work for another," he said. "We look at each of our properties differently to identify opportunities and create a customized plan. For example, earlier this year, we decided to accept bitcoin payments for online reservations at Kauai Shores. We've tailored our marketing strategies, especially our digital approach, specific to each property."

While the management company has used all of these tactics to improve the hotel's position in the market, he points to one thing as the most critical: "Above all, we're focused on delivering an unparalleled guest experience that makes our visitors want to return again and again." HB

### Year-Over-Year Growth at Kauai Shores Hotel



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