



ABVI Celebrates Robust '08, Confident on '09

In 2008, America's Best Value Inn saw a rise in revenue, increased website traffic and broke the 800 mark in affiliated properties.

By Glenn Haussman, Editor in Chief
December 2008

America's Best Value Inn (ABVI) executives are accentuating the positive, even as making money in the hotel industry is looking to be a negative proposition for many lodging companies. According to company executives, the organization is well positioned in this downturn to both increase sales and the number of properties in the system.

"This has been a challenging year and the current state of economy and predictions for next year and there will be hurdles ahead. We will make it through and prosper," Roger Bloss, founder president and CEO of Vantage Hospitality, ABVI's parent company.

To not only survive but thrive in 2009, the company will accentuate its internet marketing efforts. It's an area of success where the company is capturing more business.

At the time of the conference this week, the nine-year-old company has 809 America's Best Value Inns. That's up from 768 last year. During 2008 the company also eliminated 61 hotels, received 177 new hotel applications and approved 102.

Most impressive was the chain-wide revenue growth in 2008. Overall reservations increased by 18 percent while revenue increased by a robust 25 percent.

According to Bernie Moyle, Vantage's Partner, COO and CFO, said the company is already eighth in the total number of hotels franchised.

"That's a very powerful statement when you look at the other companies on this list, and this is only our ninth year. Also, this growth doesn't stop in North America," said Moyle. "Vantage's brands are making their mark throughout the world. We have truly become an international player. Think about it: a global company, in the same league as other chains that have been around for 30-plus years. That's an incredible achievement."

The company is expanding, internationally, where it is known as Value Inn Worldwide. In October the company signed a master agreement to develop Value Inns Worldwide in North African countries such as Morocco and Tunisia, with the possibility of Libya and Senegal to follow.

Last month the company signed an agreement for Value Inn Worldwide to be located in Dubai, Qatar and Bahrain, with MENE Real Estate LTD. The first hotels are slated to open in 2010.

The company also unveiled its 2009 online and offline marketing strategy.

According to John Burkard, VP of Information Technology, the ABVI consumer website was designed this year to streamline it to improve the conversion ratio, or lookers to room bookers. The plan is working, he said.

"We continue to see strong results," said Burkard, noting a 50 percent increase of visits since 2007 on the website. Additionally, reservations through the website are up 55 percent.

"We've seen sharp growth in the percentage of electronic bookings that are generated through the brand website," said Deb Lambert, Director of Online Development, noting 31 percent of the company's reservations come through the website, an increase from 23 percent just last year.

"Next year, our goal is to continue to increase bookings through our direct channels, in order to provide you with the best net revenues," said Burkard. "We'll focus our efforts on search engine optimization, local search, establishing links with new partners and improving the content available for each property."

In 2009 the company plans to advertise in every major official state travel guide publication. Lambert said that each state backs these guides with millions of dollars in advertising as the cornerstone of state tourism promotion. The ABVI team also added links from online versions of the state travel guides to boost website room sales.

Advertisements will also run in consumer travel and lifestyle magazine such as Southern Living, Good Housekeeping and Arthur Frommer's Budget Travel.

ABVI is also advertising and creating promotions for the radio. In 2008 it ran a combination of 3,000 commercials and promotional announcements. Lambert said this resulted in more than 23 million impressions, with just their target consumer. Overall consumer impressions were three times higher.

"With only a 50 percent increase in ad spots [in 2008], we increased our exposure by more than 300 percent through this national schedule," said Lambert.

The company has also been aggressive in getting value ads with its advertising dollars. Lambert said in 2007 ABVI spent about \$100,000 but secured airtime valued at \$350,000. This year it spent less than \$300,000 but received close to \$1 million in airtime value.