

This post is in response to the Definitions Assignment. In the following paragraphs, I will provide a parenthetical definition, a sentence definition, and an expanded definition to STAR, a widely used report in the hospitality industry. The objective of the assignment is to practice the different types of definition. The intended readers are hospitality students who are interested in pursuing a career in Revenue Management.

Parenthetical Definition

The STAR (a monthly performance report for hotels) is reviewed during every hotel strategy meeting.

Sentence Definition

The STAR is a monthly report that includes a hotel's market share performance against a self-selected competitive set.

Expanded Definition

What is a STAR?

The STAR is a monthly report that includes a hotel's market share performance against a self-selected competitive set. The word "STAR" is an acronym for Smith Travel Accommodations Report. The report was first launched in 1988 by the Smith Travel Research (STR) company and has since served hotels worldwide (Morabito, 2009). The report is delivered monthly in Excel format via email.

How is it setup?

Once your hotel has subscribed to the service, STR will set up an automatic connection to your database to extract your hotel occupancy, ADR (average daily rate), and RevPAR (revenue per available room) information daily. The revenue manager will manually select a set of competitive hotels (3 or more) to benchmark its performance.

Will the competitive set see your performance data?

The competitive hotels are also subscribers to the STAR. They too, submit their confidential accommodation data to STR. However, only aggregated performance information is shown in the report. For example, if you selected hotel A, hotel B, and hotel C to be in your competitive set, then you will only see the combined performance of the 3 hotels, not individual hotel, compared to your own property.

What does it look like?

A sample STAR is shown in Figure 1. The report is split into two sections. The top section shows the summary performance data for the current month (July 2006 in our example). On the left hand side, it is further broken down to 4 rows: Current Month, Year To Date, Running 3 Month, and Running 12 month. The 3 performance data collected: Occupancy Percentage, ADR (average daily rate) in dollars, and RevPAR (revenue per available room=Occupancy * ADR) in dollars serve as columns (STR Global, 2018). Each column is further broken down in to 3 parts: my property performance, competitive set performance, and market share index (my

prop÷comp set). The bottom section has a very similar set up to compare the year over year (2006 vs 2015 in our example) performance.

Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set									
Any Hotel 123 Any Street Any City, Any State 99999 (555) 555-5555									
STR # 98765 ChainID: 999999 MgtCo: None Owner: None									
For the Month of: July 2006 Date Created: August 24, 2006 Monthly Competitive Set Data Excludes Subject Property									
July 2006									
	Occupancy (%)			ADR (\$)			RevPAR (\$)		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	89.8	90.5	99.3	234.89	229.88	102.2	210.89	207.93	101.4
Year To Date	80.9	86.5	93.4	248.55	241.02	103.1	201.01	208.60	96.4
Running 3 Month	82.0	91.5	89.6	266.87	255.11	104.6	218.75	233.50	93.7
Running 12 Month	84.9	87.7	96.8	259.98	254.12	102.3	220.81	222.92	99.1
July 2006 vs. 2005 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	2.7	0.7	2.0	10.0	8.8	1.1	12.9	9.5	3.1
Year To Date	-8.5	3.2	-11.3	14.3	10.8	3.2	4.6	14.3	-8.5
Running 3 Month	-9.8	1.1	-10.7	15.2	11.7	3.1	3.9	12.9	-7.9
Running 12 Month	-5.6	2.4	-7.7	15.2	13.8	1.2	8.8	16.5	-6.6

Figure 1. A sample STAR

(Source:

http://www.strglobal.com/Media/Default/Documents/ProductTutorials/HowToReadSTAR_STR.pdf; 17 Jan 2018.)

How is it used?

A STAR can act as a transcript to a hotel revenue manager. In reference to Figure 1, this time we will focus only on the top section in the Current Month row. In July 2006, the subject property had a below market share occupancy index of 99.3 (below 100). This meant the subject hotel had less occupancy than that of the competitive set. However, the subject property had an above market share ADR index of 102.2 (above 100). This meant the subject hotel charged a higher guest room rate than that of the competitive set. The combined effect of Occupancy and ADR contributed to an above market share RevPAR of 101.4 (above 100). This meant that for every available hotel room, the subject hotel was able to attain a higher revenue than that of the competitive set. This is just one example of the usage of the report. There are many other ways to dissect a STAR.

References

Morabito, Andrea. "Randy Smith: Creating a New Standard." A Century of Hospitality. Ed. Len Vermillion. Yardley, PA: McNeill Group Inc., 2009. p.93.

STR Global; 2018; <http://www.strglobal.com/products/star-program>; 17 Jan 2018.

How to Use the STAR Report; 2018;

http://www.strglobal.com/Media/Default/Documents/ProductTutorials/HowToReadSTAR_STR.pdf; 17 Jan 2018.