

Case Study

M Star Tier | M Star Hotel Bradenton

- >> The M Star Hotel Bradenton in Bradenton, FL, was formerly a Howard Johnson for 7 years. The hotel had to look for an alternative flag due to the increasing franchise costs. The market rates for the Howard Johnson made reservations unprofitable because of the PIPs from Wyndham and the ancillary fees. These fees included \$1700 Failed Inspection Fee, \$1300 Absent Meeting Fee, and \$800 Online Library Fee. These fees coupled with low ADRs, regular royalties, and annual PIPs, made operating under the Howard Johnson flag unprofitable. The hotel elected to sign with the Magnuson brand to save on costs and take control of property operations, including rates. The hotel has experienced an average growth of 12% to revenue. From 2015 to 2016, the hotel has been able to increase occupancy by 25%. This is due to Magnuson's revenue managers monitoring occupancy levels and contacting the hotel when levels are low or high to discuss solutions...something the hotel felt it did not receive under its previous flag. ***"The only time I felt I heard from my previous Revenue Manager was when they were coming in for inspections, which was 3-4 times a year. Working with Magnuson, I hear from my Revenue Manager on a regular basis. They contact me to discuss ideas to either add to occupancy or increase ADR."*** – Paul Patel, general manager at M Star Hotel Bradenton

April 10th, 2017

