

# UNDERSTANDING HOTEL FEES



## OPPORTUNITY

There is an appetite out there with franchisees to gain complete and full understanding of their fees and what they are getting in return for those fees. Descriptive monthly invoices are the first step in ensuring owner satisfaction, with performance metrics tied to fees as a close second. Franchisees want to know they have earned a return on their investment and at what ratio or percentage of cost.

## SOLUTION

At RLHC, we have streamlined our billing to one bill per month for each franchisee. As we move forward in 2015, we are developing metrics to provide the owners and franchisees with an ROI on each individual fee. These metrics will be customized for each franchisee based on their structure and program participation: reservation expenses divided by revenue booked for a percentage of revenue; ADR and room night increases from baseline data versus revenue management fees.

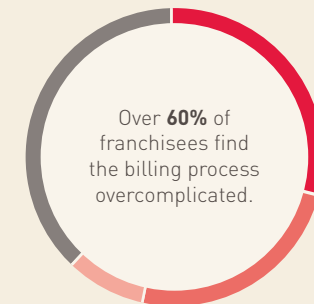
With committed ongoing support, RLHC does what it can to ensure our franchises grow and thrive. Through innovative technology, turnkey conversion and development programs – all with a flat fee structure – our hotels are supported every step of the way.



## RESULTS

Our metrics for all fee based programs will prove to be a comparable or lesser cost or percentage against their measurable to other branded hotel franchisors. RLHC will provide its franchisors with a hotel performance report card on the value per price paid. As our costs and/or percentages go down, we will become a better value for hotel owners to franchise with us and utilize our brands.

Do you understand your franchise/royalty, program and marketing fee invoices?



**29.0%** I hired a PhD to interpret for me

**24.3%** I have no idea what I am being charged for

**08.8%** My accounting department has a conference call to clarify

**37.9%** I know exactly what I am being billed for