Certification in Hotel Industry Analytics (CHIA)
Overview of Training Content

1. Hotel Industry Foundations

1a. **Who Are the Players?** – This section reviews all of the various affiliations for a single hotel. Be sure to know the difference between a "Parent Company", such as Marriott or Choice, versus a "Chain", such as Holiday Inn or Courtyard. Sample parent companies are reviewed with all of their chains, including the Scale variation. Be sure to know the difference between a "Management Company" and an "Asset Management Company". Operation Types (Corporate, Franchise, Independent) are covered. The significance of independent hotels to the industry is stressed, including the percentages of chain versus independent hotels in countries around the world. All of the other "players" in the hotel industry are briefly reviewed.

1b. **Geographic Industry Categorizations** – This section covers all of the geographic categories that are used by the hotel industry (Continent, Sub-continent, Country, Market, and Submarket). The STR categories are roughly based upon the UNWTO definitions. The two most important geographic categories for a General Manager are Market and Submarket. Be sure to know the characteristics and differences between Market and Submarket. Markets and Submarkets are defined based upon the number of hotels in an area and the number of participating hotels (ones that submit data to STR). STR re-evaluates geographic categories such as Markets and Submarkets annually between the December and January STAR Reports.

1c. **Non-Geographic Industry Categorizations** – This section includes content on the non-geographic categories commonly used by the lodging industry. It is important to understand the difference between Scale and Class. There are seven Scale categories (one of which is the Independent Scale group) and there are six Class categories (with no group for independents). Scale is popular in North America, where there is a higher percentage of chain hotels. Class is most popular outside North America, where there is a higher percentage of independent hotels. The names of the specific Scale and Class groups, from Economy to Luxury, are the same. Chains are consistent. A hotel in a specific chain is in the same Scale and Class group throughout the world. You should know how chains are slotted into Scale groups. You should know how independent hotels are slotted into Class groups. These are reevaluated annually at the same time as Markets and Submarkets. Other segments used including Location, Extended Stay and other various Hotel Types, such as Boutique, All Suite and Conference are also discussed.

1d. **Benchmarking and Competitive Sets** – This section introduces benchmarking in the hotel industry, as well as a comprehensive explanation of competitive sets. It reviews why competitive sets are important and how they are used. A competitive set may be created prior to a hotel opening. Four key considerations when creating a competitive set are participation, proximity, pricing and product. Many stakeholders are commonly involved

in the creation of a competitive set. Be sure to know the specific rules in place when creating or changing a competitive set. Be sure to know the definition of the terms "nameback" and "reverse comp set". Many hotels have more than one competitive set. Be sure to know the reasons a hotel may have more than one comp set.

2. Hotel Math Fundamentals

2a. **Property Data** – This section starts by describing how data is submitted to STR, including raw data files, web data entry, and error checking. The raw data fields (Rooms Available, Rooms Sold, and Revenue) are defined. Most of the definitions of hotel industry metrics are based upon the Uniform System of Accounts for the Lodging Industry. The Key Performance Indicators (Occupancy, ADR, and RevPAR) are defined with corresponding formulas and related hints. Percent Change is introduced, including the formula, differences between monthly and daily percent changes, and hints when it comes to analyzing this data. Remember that Percent Changes for daily data are based upon "comparable days" not "date to date". Hotel-related time periods are defined and the methodology for deriving KPIs for multiple time periods such as YTD and MTD are demonstrated. Remember that metrics for multiple time periods are based upon "aggregated raw data", not a straight average of the KPIs for the different months or days.

2b. **Competitive Set Data** – The methodology used for deriving comp set KPIs based upon aggregated raw data is demonstrated. Comp set percent changes and multiple time period calculations are reviewed. Hints are provided for analyzing subject versus comp set data. Index numbers and Index Percent Changes are introduced with case scenarios. Ranking is introduced for the KPIs and the Percent Changes and examples are demonstrated. The sufficiency rules that are in place to protect the confidentiality of individual hotel data are explained. "Full Availability" rules are explained and demonstrated. Several special situations are explained, related to "frequently asked questions" that are received at STR. For example: "How does the Weekly data compare to the Monthly data?" or "What happens if a hotel in my comp set does not report for a month?"

2c. **Industry Data** – The importance of industry data is emphasized for a general manager or industry professional. STR models data for non-participating hotels in the US only. This methodology is explained as well as the advantages and ramifications. Outside the US, the comp set methodology explained in the previous section, is used for industry data. KPIs, percent changes, multiple time periods, and full availability are reviewed for industry data. "Consistent sample" is introduced and explained. Be sure to know the different ways that Supply for an industry segment, such as a Market or Market Scale can change over time. Sufficiency of industry data is defined and reviewed.

2d. **International Issues** – Differences between North America and Non-North America industry segments are reviewed. Differences between modeling industry data in the US versus non-US are reviewed, as well as global participation issues. Local Currency issues are

reviewed. STR obtains daily exchange rates for every currency in the world from oanda.com. Daily currency exchange rates are used for daily data. Monthly data is converted using the exchange rate from the last day of the month. Multiple time periods such as YTD numbers are derived using separate exchange rates for each month in the date range.

3. **Property Level Benchmarking with the STAR Reports**

3a. **Review of Foundations and Introduction to STAR Reports** – This section is a review of the foundational information and an introduction to the STAR report. The basic "Ws" are covered: "What is a STAR Report?", "How are the generated?", "When are they generated (daily, weekly and monthly)?", and "Why do I need the STAR Report?". STAR reports in North America compare the subject hotel to four industry segments in addition to the competitive set, while those outside North America compare the subject hotel to one industry segment (smallest sufficient) and the competitive set. The rules used to select the best industry segment are reviewed. Segmentation data is introduced and Transient, Group and Contract business are defined. Additional Revenue categories are also defined.

3b. **Monthly STAR Reports** – This section covers the monthly STAR report. Be sure to know the different types of data and how to use the data on every page of the Monthly STAR Report. Hints and questions that a GM could ask about their hotel are provided for pages like the "At A Glance" and "Comp Set Report". Be sure to know the special value of pages like the "Summary Page" and the "Day of Week and Weekday/Weekend Report". The usefulness of the "Response Page" and the "Daily Data for the Month" tabs are also emphasized. Global differences are reviewed. The Segmentation and Additional Revenue pages are also thoroughly explained. There are lots of hints and case scenarios provided to help ensure you can interpret the results found on each tab of the monthly STAR report.

3c. **Weekly STAR Reports** - This section covers the weekly STAR report. You should know the different types of data and how to use the data on every page of the Weekly STAR Report. The "Weekly At A Glance" page is carefully reviewed including strategies for analyzing this data. The "Month to Date" tab is reviewed including hints. The "Perspective" pages are thoroughly explained including the importance of seeing the daily data from the perspective of a longer time period. Weekly Segmentation pages are reviewed. Various scenarios are included to show that you fully understand how to identify trends and interpret data on this report.

3d. **Additional Property Reports** – This is an optional section that is not included on the CHIA exam. Daily STAR Reports, the Online Reporting Tool, Bandwidth Reports, Revenue Positioning Matrix Reports, and the F&B STAR Reports are introduced.

4. Hotel Industry Performance Reports

4a. **Introduction to Ad-Hoc Reports and Trend Reports** – This section starts by explaining the difference between STAR Reports, ad-hoc reports, and Destination Reports. Then it introduces the most popular type of ad-hoc report, the Trend Report. The different types of data available on Trend reports are explained as well as examples and uses. Various options for selecting hotels, date ranges, and currency options are reviewed. The rules related to Trend Reports are carefully explained. Then each page of the Trend Report is thoroughly reviewed, focusing on the various rows, columns, sections and subtotals. The significance of the Running 12 Month data is demonstrated. Samples are used to ensure that a person is able to analyze and interpret this data.

4b. **Pipeline Reports** – This section covers the Pipeline report. You should know the four Pipeline phases: In-Construction, Final Planning, Planning and Pre-Planning. Projects that are on hold may also be in a Deferred or Abandoned phase. While each tab of the report contains valuable information, there are three in particular that we focus on. These are the Supply Summary, Changes to Existing Supply by Brand, and Construction Pipeline (detail) tabs. You should know how to read and understand the information provided on these tabs.

4c. **Host/Profitability Reports** - A HOST or Profitability report is an annual report displaying two years of line item revenue and expense data for a set of either full or limited service hotels. In the U.S. the report is called a HOST report and outside the U.S. it is known as a Profitability Report. You should know that standard P&L accounts of Revenue, Departmental Profits, Department Expenses, Undistributed Operating Expenses, Gross Operating Profit, Select Fixed Charges and Amount Available for Debt Service. Three different metrics are shown for these accounts, these are Ratio to Sales (RTS), Amount Per Available Room (APR) and Amount Per Occupied Room (APO). The rules when requesting a HOST/Profitability report are the same as a Trend report, but also an individual chain may not account for more than 50% of the hotels in the set.

4d. **Destination Reports and Additional Ad-Hoc Reports**– Destination reports are those typically requested by CVB/DMOs or other tourism related organizations. They provide data to better understand how the local hotel industry is performing or to compare local hotel performance to that in other competing cities. These reports are available on a weekly or monthly basis in a variety of formats. Additional Ad-Hoc Reports are briefly reviewed, including Property and Room Counts, Census Database Files, and Forecasts.