

**GLEN BLAKE WANTS TO PUT MORE OPERATORS** behind the front desk at Howard Johnson and Knights Inns properties. Blake is president and CEO of Howard Johnson Franchise Canada Inc. and Knights Inns Franchise Canada Inc., two marquee brands that are showing tremendous promise in their respective tiers.

To date he reports that there are 45 Howard Johnson properties open nationally with two on the drawing table and an additional 10 active proposals under consideration. The chain's most recent conversion was a 120-room former Travelodge in Regina that just raised the HoJo flag this summer. As well, there are 10 Knights Inns that include a recent opening in Kamloops, B.C. But, says the CEO, expectations are that these brands could well see some substantial growth with HoJo locations dou-



Howard Johnson, Nanaimo, B.C.

# FRESH APPROACH

bling in the next five years and Knights Inns open in 100 sites across the country over the next decade.

According to Blake, Howard Johnson hotels are full service mid-level properties

*Both Howard Johnson and Knights Inns offer a fresh face to an industry undergoing some market saturation.*



Knights Inn – Kamloops, B.C.

that are popular with family travelers. Knights Inns are limited service economy lodgings that are ideal for road warriors or travelers on a budget.

“Knights Inns is a brand that is easy to get into. Franchisees can join for low cost and then enjoy the benefits of a hotel network with marketing, reservation, and brand recognition,” says Blake, remarking that a Knights Inns franchise can be obtained for as little as \$500 to \$600 per key depending on the condition of the property. Royalty fees are locked in at 5 per

cent for the first five years and reservation fees are set at (U.S.) \$1.00 per booking. Signing fees are only \$15,000, less than half the fee for a Howard Johnson franchise.

He reports that Knights Inns are 100 per cent conversion on properties that are in the 45- to 50-room range. Behind these conversions are independent operators who have discovered the power of having an accepted and understood trademark on their signage. “Knights Inns allows those who want to reposition in a market the ability to do so without huge cost. For example, we don’t

force upgrades like new mattresses and case goods on properties if the existing inventory is in good shape. We focus on excellent housekeeping and maintenance standards.”

For those who want a full-service package, Blake offers the Howard Johnson flag. One of the best-known brands in the American hotel lexicon, HoJo is the progeny of U.S. drug store operator Howard Johnson, a businessman who conceived the modern franchise concept back in the 1930s as a tool to raise capital in the tight depression-era market. Today, Howard Johnson hotels is a trademark of Cendant Corporation and licensed in Canada to Howard Johnson Franchise Canada Inc.

“The history of Howard Johnson is alive and well. We’ve added new features and amenities and are working to push the brand up the tier ladder,” says Blake, pointing to features like high speed Internet, new bedding requirements and heightened bathroom presentation with things like new shower heads and décor elements. “There has been a lot of market research and input from properties that have resulted in this initiative.”

by Kelly Gray

## Never Alone

Popularity for the brand is growing in Canada. Blake reports that all indicators point upward. For example, ADR (Average Daily Rate) has increased by 4.5 per cent during the year to \$72.38. Occupancy is also up showing a gain of 6.9 per cent over 2005, resulting in double digit revenue per available room growth of 11.6 per cent year over year chain-wide.

“We are helping to drive business through a number of programs. Recently we conducted a campaign using the National Post newspaper to get our message out across the country. We have also enhanced our Web presence through a Google key word search initiative,” he says, reporting that the electronic marketing program has resulted in 3.4 million hits or impressions during the past five months. “We enjoy a conversion rate between impressions and bookings of 0.24 per cent. This translates into nearly \$600,000 in new bookings.”

Howard Johnson Canada has also partnered with nine-year-old Daniel Cook, the Treehouse Channel child talk show host. Hotel guests who booked rooms using the special code available during the promo event received a Daniel Cook DVD and a chance to win a trip to San Diego. To date, the chain has received in excess of 1125 bookings using the code. This translates into more than \$100,000 in gross room revenue with families and others attracted by Cook.



(Above) The front lobby and desk area of Howard Johnson, Vancouver.

(Inset) Howard Johnson guest room – Vancouver.

Marketing support is only part of the advantages of chain membership. According to Blake properties are assisted and serviced through Franserve, a company dedicated to the support of both Howard Johnson and Knights Inns properties.

“When you sign with us, you are never alone. For instance, our business development representatives visit each property at least once every four months. Our goal is work with the property management team to maximize the success potential of the hotel.”

One of the tools the Howard Johnson team has developed is a new quality assurance program. Unlike other QA programs used by franchise support companies in Canada, the Howard Johnson initiative starts at zero and adds points for infractions. “The QA inspector walks the property with a laptop and inputs recommendations that are discussed then and there with management. We try to create an environment where quick resolutions are made rather than taking notes away and then sending a letter after a few weeks. With us you always know where you stand.”

Blake points to new electronic programs that train and deliver insightful data to management. For example the Medallia electronic comment card was launched January 2006 and allows properties to track more effectively a complete customer satisfaction score.

“Every property can also access our new Cyber Cinema training system. This is an entire on-line training program that fea-

tures modules for front office, reservation, marketing, and other areas. It is open to all franchisees and staff can work towards a CHA designation through the course.”

According to Blake, the idea behind what they do is to not merely tell operators how to run their properties, but to work towards a greater business understanding where operators can develop their own unique in house solutions.

“We can’t let the standards slip. We recognize that the quality of each property is a direct reflection on the chain and that has a direct impact on the business of other franchisees. Toward this end we have launched ‘Project Restore’, a program targeted at bringing a number of Howard Johnson locations up to the brand standards and the level of the other sites. In this business, properties must be prepared to improve if they want to compete. We are there to help.”

Looking ahead, Blake suggests that there are still a potential 3500 properties across the country that could benefit from brand affiliation or a re-branding.

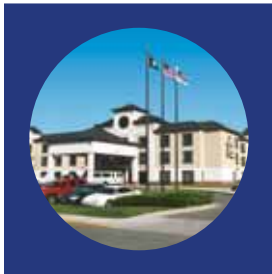
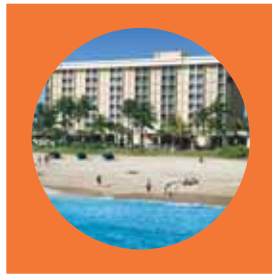
“As others in the market reach saturation with their flags or develop a competitive environment within their brand portfolio, opportunities will open for both Knights Inns and Howard Johnson hotels that are perceived as a fresh influence in the marketplace. Look for us to make a splash in B.C. and Alberta as well as Atlantic Canada as we continue to fill in the void created by underperforming independent properties and hotels in need of a fresh brand identity.” ●



Knights Inn – Lundy’s Lane, Niagara Falls, ON.

In 2005, the Best of Summer Program for Howard Johnson featured a promotion involving Robert Munsch and his Sand Castle Contest book launch as well as kids’ classical music CDs. “These are made-in-Canada marketing efforts that are really paying off,” says Blake.

**Discover A Whole New Flavour of Franchising**



*Howard Johnson*<sup>®</sup>

**We've gone from  
28 flavors of ice cream  
to over  
475 flavors of hotel.**

*We started as a modest chain of restaurant/ice cream stands sprinkled along the roadside. That was then. Today, we have hotels everywhere from Charlottetown to Victoria. For every type of traveller. So whether you're on the road for pleasure or business we've got you covered. Also, be sure to check out our "Best Rate or it's Free" Guarantee\*, as well as our loyalty program, TripRewards.<sup>®</sup>*

**Online Reservations at:  
[howardjohnson.ca](http://howardjohnson.ca)**



**Go anywhere. Stay here.<sup>SM</sup>**

\*Best Available Rate means the best non-qualified, publicly available rate on the Internet for the hotel, date and accommodations requested. Advance reservations are required on [howardjohnson.ca](http://howardjohnson.ca) or 1-800-I-GO-HOJO<sup>®</sup>. See [howardjohnson.ca](http://howardjohnson.ca) for full details and requirements. ©2005 Howard Johnson International Inc. All rights reserved. Hotels are independently owned and operated.



**Go anywhere. Stay here.<sup>SM</sup>**

**British Columbia**

- Enderby
- Kamloops (2)
- Nanaimo
- Prince Rupert
- Surrey
- Vancouver (2)
- Victoria (2)

**Alberta**

- Calgary
- Edmonton
- Lethbridge
- Medicine Hat

**Saskatchewan**

- Regina
- Saskatoon
- Swift Current
- Yorkton



**Manitoba**

- Winnipeg (2)

**Quebec**

- Rigaud

**New Brunswick**

- Campelton
- Moncton
- Woodstock

**Nova Scotia**

- Halifax
- Truro

**Price Edward Island**

- Charlottetown



**[howardjohnson.ca](http://howardjohnson.ca)**

**1-800-446-4656**

**Ontario**

- Aurora
- Barrie
- Bowmanville
- Brampton
- Fort Erie
- Gravenhurts
- Kemptville
- Kirkland Lake
- Kitchener
- London
- Markham
- Niagara Falls (2)
- St. Catharines
- Sudbury
- Timmins
- Toronto (2)
- Windsor

For Franchise Information Call Glen A. Blake at 1-800-249-4656 ext 6770