

## Operations

# Hoteliers weigh benefits of airport shuttle services

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The significant cost of providing hotel shuttles is prompting some hoteliers to reconsider offering the amenity at all, while at other properties, shuttles are a positive revenue driver.



SHUTTLE  
TRENDS

By **Brendan Manley**

REPORT FROM THE U.S.—Hoteliers are taking a measured approach these days to the question of whether to offer a complimentary hotel shuttle service, largely based on property location and market competitive factors.

For some hotels, providing guests with rides in shuttle vans can be a bona fide business driver; for other properties, however, it can prove to be an unnecessary—and sizeable—added expense.

At properties located near airports, for example, shuttle vans remain a no-brainer, for several reasons. At urban locations and properties situated far from airports, the decision to provide shuttle service is not as clear-cut. It often comes down to what the property’s comp set is offering, and if there are any opportunities to monetize the service.

“The airport shuttle is an expensive business,” said Matt McClelland, EVP of operations and development for Concord Hospitality. “It is needed, but we really study it before we get into it, because we’d prefer not to be in the airport shuttle business. I can tell you, as an owner-operator, it is not free at all.”

### **Park and fly**

Shuttle vans remain a staple at airport hotels, in large part due to continued customer expectation for the service. The convenience of a complimentary hotel shuttle is especially appreciated among travelers spending a day or two on layover, or guests arriving at the property without a car and looking for an easy airport transfer.

But there are other ways, too, that both the hotel and the guest can benefit from this amenity. When combined with long-term parking options at the hotel, airport shuttles can be a draw for locals looking to skip the hassle of parking at the airport. By employing valet service—and if possible, off-site long-term parking—hoteliers can drive parking revenues and offset the cost of providing shuttles.

[Read here how market and location drive parking services at hotels](#)

“If you’re an airport hotel, and you’re shuttling back and forth to the airport, you’ve got a great opportunity to charge people to park long-term,” said Gary Isenberg, president of LWHA Asset Management Services. “The big thing we’re seeing is this whole valet service where the parking facility doesn’t have to be right at the airport. ... A lot of hotels offer long-term parking for that service.”

Providing an airport shuttle may also help sell additional roomnights, particularly to locals. In addition to taking advantage of long-term parking at airport hotels, it may be easier for some travelers to check-in the day before their flight, or spend the night upon returning to town. Hoteliers are getting creative and offering special promotional deals to encourage more of these kinds of guests.

Mike Marshall, president and CEO of Marshall Hotels & Resorts, said a lot of travelers look for hotels that offer the “stay-and-fly rate.”

“If I have an airport hotel, I’m going to have twice as many parking spaces as I need,” Marshall said. “I’m going to offer a park-and-fly program where you come, stay at my hotel and for an extra few dollars a day, I’ll take you back and forth to the airport.”

Marshall added that a lot of travelers might live two or three hours away from the nearest airport. If they have an early morning flight, it’s likely they’ll come and stay at a hotel the night before, and “a lot of times if they get in late coming back, they’ll stay at your hotel again before they drive off to go home the next day.”

### **No shuttle required**

For other properties—namely those that aren’t located near airports, or in urban locations where public transportation, taxis and ride-share services are plentiful—offering a hotel shuttle can be a significant expense without enough justification. Experts explained that the cost of the vehicles, their upkeep, insurance and other compliance factors make the price tag of the amenity nothing to sneeze at.

“On average, you can figure that a shuttle van is going to cost you anywhere from \$150,000 to \$175,000 a year,” McClelland said. “There are a lot of requirements around ADA options that are important to consider, too. When you look at why we provide airport shuttles, it’s typically competition, and the demand of the customer who’s just flying in and needing to fly out.”

McClelland also said that shuttles can become a kind of crutch for guests who seek to use the service as a free taxi rather than its intended use for airport transfer.

“Airport shuttles often become, ‘Can you take me to my business center?’ or, ‘Can you take me over to the mall?’ Ride-share has made that easier for folks,” he said. “It’s something that before we jump into, we study the overall business impact from a positive side, versus just providing convenience for people because it’s there, but who really wouldn’t have a problem hitting the button on their phones to take a \$6 Uber. That would be preferred.”