

The Hotel Yearbook 2023
The Uncertainty New Normal



HY8



The new Direct, complexities and rewards of Social Bookings

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Source: Depositphotos

Synopsis

Social Bookings are a new hybrid category of hotel bookings that originated on social, super-apps such as WeChat, and others. They are a blend of direct bookings and third-party bookings, where the platform has its own custom-built booking module connected via API to the hotel's central reservation system or booking engine, delivering the bookings directly to the hotel without revenue sharing. Social Bookings are becoming the main direct booking channel for hotels in Asia and are expected to grow, especially with the increasing average time spent on social media platforms. To ensure high conversion rates, hotels need to invest in custom experiences per platform for each brand, which could be a new way for hotels to regain control of their direct bookings for the mobile era.

How direct bookings are going to evolve into a hybrid of technology plus channels.

Currently direct bookings are those bookings which happen through a hotel's website (brand.com) and booking engine, call center or on property at check-in. Brand.com has worked for a few decades with very little change, originally built when websites were static brochure-like channels and hotels needed to add a booking element.

While this has worked well for a long time, e-commerce has evolved a lot. Today when one creates a site on Shopify, the default settings from Shopify are just a single Home page full of dynamic shopping content and from there it goes straight to buy and check-out, the default setting is no other pages except a contact page and the legal pages.

It is hard to compare this to a hotel website paradigm where one browses multiple pages, multiple rooms pages, and multiple other pages, and then one clicks to a totally separate website which is the booking engine, selects the dates and the room and then finally reaches the payment check-out.

From my experience with how technology is evolving in Asia, a new hybrid category of bookings is starting to emerge. Coming from the fact that in Asia the internet grew primarily through a mobile-first approach, where loading multiple sites was too slow for a good ecommerce experience, this new hybrid model is going to enhance direct bookings.

The new category isn't pure direct bookings the way we know them today. But it isn't a third party booking either. We're calling them Social Bookings now because it originated on social, super-apps such as WeChat, and others.

They're hybrid because they require each platform to have its own booking module custom built for the hotel and for the platform. The booking module is connected via API to the hotel's central reservation system or booking engine. And bookings are delivered through that system to the hotel.

Hotels receive all the data and manage the relationship to the customer, there is no revenue share with the platform (other than ad costs, or page creation costs). Making this a direct booking, but delivered through a custom booking module on that platform.

To put some context around why this is important, consider that the average time spent per day on social media platforms today is 2 hours and 30 minutes and over 4 billion people are on social media platforms globally. While these platforms weren't being used for search, they are used as the main source for discovery.

In 2019, Ecommerce advertisers spent more on social media platforms than on search. Today social media has become one of the most important advertising channels for those who sell online. Because of the inspirational nature of social media and its strong ability to actively recommend vs the reactive recommendations of search this is an excellent channel for inspirational advertising and sales.

But sending people off-platform to continue their booking is not conducive of high conversion rates, especially not on mobile devices where load times are often slower and booking process is more complex.

There is no one-size-fits-all booking engine that works perfectly with every platform. The responsive booking engines were an attempt to build a hybrid booking system and they're good for people who come from the website. But to ensure conversions, hotels need to have custom experiences per platform for each hotel brand.

In Asia, this is already becoming the main direct booking channel for hotels and growing. The big chains have caught on to the trend, hotel groups should invest in their own and while this might be cost prohibitive for independent hotels, costs will come down and every hotel will soon be able to afford their own set of booking modules for each channel.

To distinguish these bookings and channels from the standard Direct Booking channel of the website, we're calling them Social Bookings.

And it could be a new way for hotels to regain control of their direct bookings for the mobile era which is currently very much dominated by the OTAs and their highly optimized mobile applications.

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Greg Berman — COO, Shiji Distribution Solutions

Since joining Shiji Group in February of 2018, Mr. Berman has been instrumental in laying the foundation of Shiji (US) Inc., as well as leading the further expansion of Shiji's position in electronic distribution into the Americas, Asia Pacific, and Europe/Middle East. Mr. Berman boasts over 30 years of experience in sales, software development, and information technology across numerous industries. His wide-ranging specialties include business strategy planning, product management, global sales, and major account management, complex enterprise software delivery, and data-driven business intelligence. Mr. Berman has also held multiple COO positions with HBSI, eRevMax, and DHISCO.

Shiji Group — shijigroup.com

Shiji is a multi-national technology company that provides software solutions and services for enterprise companies in the hospitality, food service, retail and entertainment industries, ranging from hospitality technology platform, hotel management solutions, food and beverage and retail systems, payment gateways, data management, online distribution and more. Founded in 1998 as a network solutions provider for hotels, Shiji Group today comprises over 5,000 employees in 80+ subsidiaries and brands in over 23 countries, serving more than 91,000 hotels internationally, 200,000 restaurants and 600,000 retail outlets.



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