

HY824

Technology Edition
Entering The
Everything-Data Decade



The Hotel Yearbook
Foresight and innovation in the global hotel industry



Revenue + Marketing

Do's and Don'ts

in Direct Bookings



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Of all the hotel marketing strategies used by successful hoteliers, there's one approach that impacts almost every key performance indicator (KPI) that matters for hotels. Whether you're looking to boost revenue per available room (RevPAR), increase guest loyalty and repeat bookings,

decrease your gross operating profit per available room (GOPPAR) or improve website and booking engine conversion rates, a strategy to drive direct bookings will impact all of these metrics.

Hotels typically pay Online Travel Agencies (OTAs) a commission rate

that can range from 15% to 30% per booking, but the exact rate will vary based on the specific OTA and the hotel's size, location, and the volume of bookings. The more bookings a hotelier can shift to direct, the more revenue and profit they'll drive for the business.

The good news is that getting a direct bookings strategy in place doesn't have to be complicated. This article will walk you through the direct booking basics that every hotelier should focus on first, but also the latest innovations to increase bookings and boost your hotel revenue.

✓ Do's

1 Make rate parity your priority:

Guests will always find the cheapest price online. If you're not paying close attention to the rates available for your rooms across the web, it's highly likely you'll be losing bookings to distribution partners who are advertising prices they shouldn't be. That's why monitoring and fixing those prices should be your top priority. You can do this via test bookings (although this can be a very manual, slow process) or via a rate parity monitoring tool⁰¹.

01 <https://www.triptease.com/blog/new-parity-tool>

✗ Don'ts

1 Use your CRM to only communicate with guests who have already booked:

Most hotel CRMs are full of guest data from customers who have already booked and stayed at your hotel. If that's all you're using your CRM for then you'll only be getting half the impact you could be from this crucial tool⁰¹. Capturing data from guests who have not yet stayed at your hotel and sending them personalized marketing encouraging them to book will both increase the value of the data in your CRM and drive more direct bookings for your hotel.

01 <https://www.triptease.com/blog/grow-revenue-with-pre-stay-guest-data>

2 Fix the biggest parity issues first:

For hotels with significant parity issues, the best approach is to start by resolving the most impactful OTA undercuts first. Look at each disparity in terms of the amount you're being undercut and the number of times it's been seen by searchers to work out which disparities should be fixed as a priority.

3 Build strong OTA relationships, but know when to end them too:

Outside of regularly checking in on your rate parity using a parity monitoring tool, you should also take some time to focus on your relationship with your OTA and distributor account managers⁰³. Check in with them even when you're not having parity issues and build a healthy working relationship - this can make all the difference when problems do arise. And if you have problems repeatedly with the same offending OTAs, consider ending the partnership. OTAs have their place in a hotel's distribution mix, but only if they adhere to the rules of your agreement.

4 Ensure you always have the best price on metasearch:

Many hoteliers struggle with a common issue - their direct channel is visible on metasearch but price undercutting from OTAs is stealing traffic away from their direct website. Triptease data has shown that 61% of all direct prices that appear in meta auctions being undercut⁰⁴ by at least one other OTA which presents a big problem for hoteliers. If you're bidding to appear in metasearch results but you don't have the best price, you're paying to send a booking to an OTA. To prevent this from happening you need to be able to monitor both your direct rates in comparison to your partner OTA websites as well as rates that are appearing in metasearch results too⁰⁵. Again, a rate parity monitoring tool can help with this, but if a potential guest has already seen a better price elsewhere in metasearch then you've already lost the booking. Using technology that can automatically adjust your direct price in the metasearch results and on your booking engine⁰⁶ is the best way to ensure that you beat OTAs on metasearch every time.

03 <https://www.triptease.com/blog/the-hoteliers-guide-to-wholesalers-has-arrived-2>

04 <https://www.triptease.com/blog/new-data-how-often-are-you-being-undercut-on-metasearch/>

05 <https://www.triptease.com/blog/find-out-who-is-undercutting-you-on-metasearch-with-a-free-parity-health-check>

06 <https://www.triptease.com/en/price-match-metasearch>

2 Discount more than you need to on metasearch:

The common belief is that the lowest price on metasearch wins, but Triptease data reveals a more complex picture. While having a competitive price is crucial, excessive discounting doesn't always equate to more direct clicks to the booking engine. Triptease data shows that, while OTAs have to continually offer greater discounts to get clicks, hotels only need to be cheaper by a small percentage⁰². That's why blanket discounts on metasearch aren't always the best strategy. A product like Price Match allows hotels to automatically provide precision discounts to guests⁰³ - only discounting the price by just enough to win the booking.

3 Ignore the importance of high quality first-party data:

First-party data is gold for hotel marketers⁰⁴. Its customer data collected directly by your company through its own channel and sources, avoiding complications caused by data governance rules. But it can be difficult to capture high quality data (including guests' preferences and interests) and even harder to connect data from siloed systems to your hotel CRM for use in future direct booking campaigns. Luckily there are technology providers able to assist hotels in capturing detailed guest data and sending it automatically to their CRM⁰⁵.

4 Offer big discounts to customers who are already likely to book:

With the right tracking on your website you can ensure that you tailor offers and discounts based on a potential customer's likelihood to book. By tracking various events (e.g. running multiple date searches or visiting multiple pages) you can then trigger messages that display only to customers who are either likely or unlikely to book. This means you don't offer the same high-value deals to everyone, and you don't waste special offers on people who would likely have booked a full price room.

02 <https://www.triptease.com/blog/outsmart-the-otas-with-dynamic-pricing>

03 <https://www.triptease.com/en/price-match-metasearch>

04 <https://www.triptease.com/blog/solving-first-party-data-challenges-for-hotels>

05 <https://www.triptease.com/blog/solving-first-party-data-challenges-for-hotels>

5 Invest in a search engine optimisation (SEO) and content marketing strategy:

Regularly update your blog with relevant content to improve your visibility on search engines. A.I tools can be a big help to busy hoteliers, because you can prompt them to help you write SEO optimised content quickly. Not sure how to get started? Watch Alex Velazquez, Vice President of Digital Marketing at Westgate Resorts, share his process for creating hotel content marketing using AI tools to save time and drive incredible SEO performance.

6 Invest in a high performing booking engine:

While every business is different and there can never be a 'best' booking engine for all hotels, taking a look into typical conversion rates can offer some guidance. If you're considering switching booking engines you should look to benchmark your current booking engine's searcher conversion rate with the data available for any alternative providers you're considering⁰⁸.

7 Simplify the booking process:

Every additional decision you ask a potential guest to make on the path to booking has the potential to lose their custom entirely. Simplify the number of room types you offer, and provide really clear information on what those rooms look like and what's included in the rate. Make the booking process as straightforward as possible, minimizing the number of questions and decisions you put in front of your guests.

8 Answer potential guests' questions via live chat:

Use a live chat tool⁰⁹ to provide immediate assistance and answer potential guests' queries in real-time. Remember, if they have to leave your website or booking engine to find the answers they need, they might not come back.

07 <https://www.triptease.com/blog/seo-success-in-30-minutes>
08 <https://www.triptease.com/blog/hotel-booking-engine-performance>
09 <https://www.triptease.com/blog/triptease-partners-with-hijiffy/amp>

5 Miss any opportunity to highlight your direct price:

Price is the number one consideration for customers when they're deciding whether to book, so make sure you highlight your pricing in all available touchpoints of the booking journey⁰⁶. That includes email headlines, in retargeting adverts and even in paid search results. Highlighting your price in paid search ads doesn't just help the right customers to book your hotel, but also prevents you paying for clicks from customers who can't afford your hotel.

6 Let customers leave your booking engine without capturing their data:

Two ways that hotels frequently lose direct booking revenue⁰⁷ are when a potential guest sees 'no availability' for their search dates, or when they abandon their cart before completing their booking. Make sure you are able to capture a customer's details if they abandon their cart⁰⁸ - this can be done via personalized messaging or by capturing the email they input when they began the booking process⁰⁹. For customers who couldn't complete their booking because there was no availability for the dates they searched, provide the option to receive an email alert if the room becomes available again. Even if you can't sell them a room this time around, you can add them to your CRM to target in future marketing campaigns.

7 Pay more than once for the same booking:

Avoid spending money on multiple advertising channels for the same booking. Ensure that your marketing campaigns across different platforms are well-coordinated to avoid overlaps and redundant costs. Use tools that can help track the customer journey and attribute bookings accurately¹⁰, or alternatively consolidate your paid marketing channels under one provider who can guarantee that you'll only be charged once for a guest that has interacted with multiple channels.

07 <https://www.triptease.com/blog/8-innovations-to-drive-direct-bookings-in-2024>
08 <https://www.triptease.com/blog/two-ways-to-use-email-data>
09 <https://www.triptease.com/en/customer-stories/amarante>
10 <https://www.triptease.com/blog/a-product-that-pays-for-itself>
<https://www.triptease.com/blog/introducing-the-triptease-data-marketing-platform>

9 Personalize your website for every guest:

Every guest is different, but most hotel websites are the same for all visitors. Great eCommerce websites drive conversions by providing a personalized website experience - and there's no reason why hoteliers can't do the same! Using a website personalization tool to create messages tailored to different types of guests¹⁰ will not only encourage them to take action but also give you a competitive edge. By using guest and booking behavior insights, you can tailor your website to boost mid-week occupancy, offer upgrade options to guests who are highly likely to book, and highlight benefits based on whether they are a family or a solo traveler. But it doesn't stop there. For the finishing touch, when a guest lands on your booking engine, you can reassure them that you have the best price and automatically match undercutting OTAs when you're not.

10 Enhance your loyalty program to drive repeat bookings:

About 18% of frequent travelers will choose a hotel brand based on its loyalty program¹¹, and frequent travellers are willing to spend an extra \$41 per night to stay a hotel if they're a part of the loyalty program. A loyalty offer doesn't have to be a discount that decreases your RevPAR either. You could offer late check-outs, free wifi or a complimentary drink for loyalty program members instead of reducing your rates.

11 Offer exclusive deals and packages:

Create special offers that are only available on your direct website and highlight these prominently across your marketing channels. This could be anything from a three nights for the price of two offer on selected dates, to free kids club activities or restaurant and spa discounts.

12 Use high quality visuals and detailed room descriptions/floorplans:

Make sure that the content on your direct website provides as much detail as possible about your hotel and rooms. Guests are used to seeing high quality visual content on websites like booking.com and Airbnb, so will expect the same detail from a hotel website too.

8 Waste budget bringing the wrong customers to your website:

Ensure that your paid marketing efforts are targeted towards bringing the right audience to your website. Use data analytics to understand your guest demographics and focus your budget on the channels and strategies that bring in the most relevant traffic. Work with a provider who can take into account your rate parity status and previous on-site guest behaviour when bidding¹¹, so that you only bid on guests who are likely to book.

9 Keep your data locked in siloed systems:

Without a unified view of guest data, hotels struggle to understand and anticipate guest preferences and behavior. This limits their ability to offer personalized experiences, which are crucial for attracting direct bookings. Separate systems lead to inconsistent and incomplete data, making it difficult to create targeted marketing campaigns, which results in lower conversion rates and wasted marketing spend.

10 Stick with technology that isn't working:

Continuously evaluate the performance of your technology stack. If certain tools or platforms are not delivering results, don't hesitate to switch to more effective solutions. Stay up-to-date on new innovations in booking engines, website personalization tools, CRMs, traffic acquisition tools and mobile payment gateways. Remember that some vendors may be great at selling products but may not offer adequate support or guidance on product usage. Checking references from similar properties can provide valuable insights.

11 Be afraid to outsource tasks to an A.I. assistant:

Use AI tools to streamline and enhance your marketing operations, from generating personalized messaging to data analysis. Many hotels use AI assistants to handle repetitive tasks, which allows their team to focus on more strategic activities to drive direct bookings. The best website personalization tools are incorporating A.I into their products¹² so that hoteliers can write impactful messaging for their website automatically.

11 <https://www.triptease.com/blog/introducing-the-triptease-data-marketing-platform>
12 <https://www.triptease.com/blog/say-goodbye-to-boring-campaign-headlines>

13 Optimize your website for mobile visitors:

A significant portion of website visits come from smartphones and tablets, so it's important to ensure your website provides an equally good experience for mobile users. From scrolling fatigue to slow loading pages, it's important to understand and fix any issues that could be preventing guests from converting on mobile¹².

14 Be clear and transparent about your prices:

Clear pricing, including all taxes and fees, is essential for building trust, enhancing guest satisfaction, and ensuring compliance with legal requirements. It also reduces friction in the booking process and helps to prevent cart abandonment. Make sure the price that customers see on your booking engine is accurate and consistent with the prices they might have seen elsewhere.

15 Create some urgency to book:

OTAs employ urgency messaging frequently, and there's no reason why hoteliers shouldn't do the same. Use a countdown timer to show that a flash sale or special offer is ending soon¹³, or add messaging to let customers know that you only have a few rooms left to book for their chosen dates.

- 10 <https://www.triptease.com/en/messages>
- 11 <https://www.triptease.com/blog/loyalty-programmes-three-keys-success/amp>
- 12 <https://www.triptease.com/blog/how-hotels-can-increase-their-mobile-booking-conversion-rates/amp>
- 13 <https://www.triptease.com/blog/booking-com-flash-deal>

A focus on driving direct bookings can transform your hotel's profitability and operational efficiency. By adhering to these do's and don'ts, hoteliers can optimize their direct booking strategies, enhance guest

satisfaction, and ultimately boost their bottom line. Implementing these practices not only reduces reliance on OTAs but also builds stronger, more personalized relationships with your guests, leading to increased

loyalty and repeat business. As the hospitality industry evolves, staying proactive and adaptive in your direct booking strategies will ensure long-term success and growth.

12 Fail to communicate the benefits of booking direct:

Make sure your guests understand the advantages of booking directly with you, such as exclusive deals, flexible cancellation policies, and loyalty points. Clearly communicate these benefits on your website and marketing materials.

13 Spread your marketing efforts too thin:

Concentrate your marketing spend on the impactful channels where you know your guests will be. Don't spread yourself too thin. It's better to execute really effectively on a few channels than ineffectively on lots of channels.

14 'Set-and forget' your paid marketing channels:

Work with providers that take a data first, active approach to campaign management of your paid channels. It's helpful if they work specifically with hotels so that they are able to bid strategically based on your current parity status, market trends and guest behavioral data.

15 Forget to align your teams internally:

Many hotels are beginning to take a more holistic view of their commercial strategy, bringing together a cross-functional team of Marketing, Revenue and Sales to focus on shared direct booking goals. Create joint KPIs and help the whole commercial team understand the value in working together to drive direct bookings.



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Hospitality Tech
Industry Calendar
2024-2025

HITEC® 2024 Charlotte
Jun 24 – 27, 2024
Charlotte Convention Center

**HSMAI Americas - Commercial
Strategy Conference**
Nov 25 – 26, 2024
Charlotte Convention Center

**HITEC Technology Investment
Conference**
Jun 27 – 28, 2024
Charlotte Convention Center

2024 Hotel Data Conference
Aug 7 – 9, 2024
Grand Hyatt Nashville

Skift Global Forum 2024
Sep 17 – 19, 2024
The Glasshouse, New York

HEDNA Asia Distribution Conference
Sep 23 – 24, 2024
Siam Kempinski Hotel Bangkok

FHS World 2024
Sep 30 – Oct 2, 2024
Madinat Jumeirah Conference &
Events Centre

**HSMAI Asia - Digital Marketing
Conference**
Oct 10, 2024
Phuket

Hospitality Tech Expo
Oct 15 - Oct 16, 2024
Excel London

ITB Asia
Oct 23 – 25, 2024
Marina Bay Sands Singapore

The Hospitality Show 2024
Oct 28 – 30, 2024
San Antonio, TX, United States

Cvent CONNECT 2024 - Europe
Nov 5 – 7, 2024
Hilton London Metropole

**International Hotel Technology Forum
Asia 2024 (AHTF)**
Nov 12 – 13, 2024
Pan Pacific Singapore

Hotel Technology Forum (HTF) 2024
Nov 18 – 20, 2024
Rancho Palos Verdes

The Phocuswright Conference
Nov 19 – 21, 2024
JW Marriott Phoenix Desert Ridge
Resort & Spa

**HSMAI Middle East - Commercial
Strategy Conference**
Nov 26 – 27, 2024
Conrad Dubai

**HSMAI Europe Revenue Optimization
Conference**
16 Jan, 2025
London

**HEDNA Global Distribution
Conference: North America**
Jan 27 – 29, 2025
Catamaran Resort Hotel and Spa

ITB Berlin 2025
Mar 4 – 6, 2025
Messe Berlin

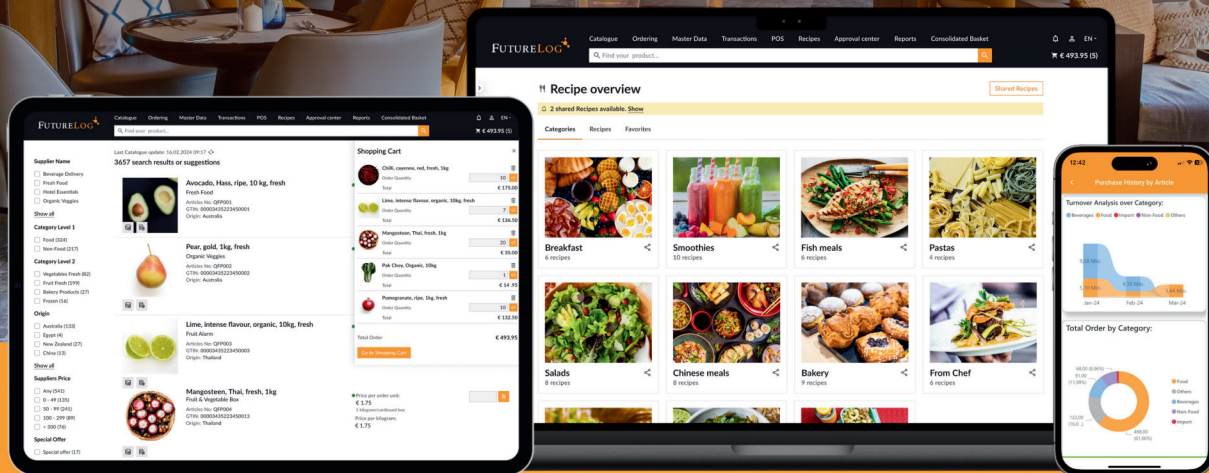
**International Hotel Technology Forum
2025 (IHTF)**
Mar 18 – 20, 2025
Lisbon

HITEC DUBAI
May 27 - May 29, 2025
Dubai World Trade Center

HITEC® 2025 Indiana
Jun 16 – 19, 2025
Indiana Convention Center

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