Improve your bookings with StarMR

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The following are a series of reports and ideas that have been obtained from different sources, and that we believe can be useful for a better optimization of the Booking Engine

Index

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Why do customers visit your website but book the room in an OTA?

The effect that a hotel's website causes on customers is not always what is expected. According to recent studies, a large number of customers, after having selected a hotel through an OTA, are informed of the services and facilities of the establishment on the hotel's own site, and then return to the agency's online page to make the reservation effective.

One of the reasons for this consumer behaviour is that OTAs have managed to generate an "experience" in the purchase process, in addition to having simplified the booking and contracting processes.

Despite this, it is important to remember that the customer continues to visit the hotel's website, so there is the possibility of implementing strategies that compete with OTAs and get the customer to book on the establishment's website.

Thus, calls to action such as "we offer you the lowest rates, plus all the information you need to have a great stay", become fundamental communication tools to achieve a better conversion rate.

These types of phrases, show customers proximity, direct and fast treatment, plus the feeling of a purchase adjusted to their budget. It personalizes the reservation and even avoids having to return to another page to make the purchase.

Similarly, continuous improvement and usability are key elements to keep the customer on our site. We must make simple websites with agile engines and systems.

Another option is to offer upgrades that have a minimum cost for the establishment, such as parking. Actions can also be carried out on very specific groups, without changing the rates. To do this, social networks can become a great ally, specifically, we could design a promotional code campaign on Instagram or Facebook.

What we cannot forget is that OTAs can serve as a means for the client to reach the hotel's website directly.

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Revenue Management

Offer the right product to the right customer at the right time. In short, match your supply to demand.

1- Any hotel can do it.
It is not necessary to have a large chain with 12 people working in one department for this work to be effective. It is... like everything: time and learning from experience. By dedicating a little time each week in an organized way, we can achieve great results in the long term.

2- It is very common in other sectors
What may surprise us sometimes in tourism... is not uncommon in other sectors. Think about it... doesn't the price of fruit, for example, change constantly? Is the price of seafood the same now as it is at Christmas?

Draw up a strategy and don't be afraid to follow it. The best **Revenue** are always attentive to modify according:

➢ Variables around your occupation.
➢ Variables around the occupation of your place (city & competition).

3- Does not affect customer fidelity
This point is due to a simple fact: the customer is increasingly unfaithful. If you have regular customers in your establishment, of course, do not use **Revenue** strategies with them: create linear rates, offer them discounts.

But...think about this: Does your hotel really have "so many" regular customers that you can't change your rate at all? Would that performance really lower your occupation? I don't think so.
Whether a room is booked depends not only on whether it's at 50 or 54 euros, but on many other things: Are we doing a proper job of marketing, SEO and SEM? Do you think it's time for your rate to go up to 54? Well go ahead!

4- It works
Do you think that just because you get 4 Euros (if we continue with the previous example) it's not worth it? Let's multiply. Try to imagine 4 Euros more (minimum) in each type of your rooms and imagine that amount multiplied by 365 days.

Actually the previous count is to simplify everything to the point of absurdity, but with the current situation we are going through...we cannot waste any sales tool. In conclusion, I encourage you to start a strategy (as modest as it may be) of **Revenue Management** in your hotel establishment. What we sell is as important as to whom or when we sell it.

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The Millennials

Definition:

Young people between 18 and 30 will be the big consumers of the next decade. They have been born with the new technologies so they expect to always obtain speed and efficiency. They are always connected to the Internet and their mobile phones, with which they plan and book their travel experiences. At the same time they value offline experiences and seek integration with the local culture of the destinations they visit.

They are the 'now' generation. They're looking for **speed and immediacy**. They were born between 1980 and the mid-1990s; **their world is interconnected**, technological and global. They look for **real-time information**, make comments, consult 10.2 **different sources** before booking, like local experiences and demand free, high-quality Wi-Fi access. This is how **Florencia Cueto**, project manager of **TSI - Turismo Sant Ignasi**, has defined the Millennials.

In the next decade they will become the most numerous demand segment for companies in the sector. In fact, there are already 1,300 million Millennials worldwide, of which eight million are located in Spain.

Their travel behaviour revolves around three aspects in which they differ, and much of the predecessor generations: the search for experience, their relationship with technology and their offline behaviour.

This new tourist, as Cueto explains, wants to "integrate into the local culture in search of an authentic experience. They are people who expect to participate in the activities rather than be mere spectators. They are in constant search of positive, intense and challenging situations with a unique and authentic factor". Within that experience "they bet on social awareness: they want to be respectful of the destination because they understand that the best place to visit is the best place to live.

They also need to feel free when it comes to enjoying their options, so they participate in the design and production of the consumption process to also enjoy greater flexibility in their trips, seeking the best possible price but also demanding state-of-the-art technology in all steps.

The Millennials have grown up with technology, so they expect to always obtain speed and efficiency, with updated content on the websites in real time. They do not imagine an environment without internet or Smartphone, in which they plan and book their travel experiences, so, as Cueto points out, "they expect hotels and tourist services to adapt to these characteristics, with the introduction, for example, of digital check-in on their smartphones".

They have even "changed the way they relate to their peers and introduced new ways of communication such as text messaging, Facebook messages, GChatting , Whatsapps , etc.". In fact, he adds, "social networks are also established as a priority communication channel, fueled mainly by the 'Fear of Missing Out' that is characterized by the need to share their current location, activities and opinions with others.

The Millennials have also grown "bombarded by traditional advertising, which no longer impacts them. They trust other users online more, and so they look for answers in the comments of sites like TripAdvisor". In this way they also maintain their idyllic image of adventurers visiting destinations that their friends and acquaintances have not been to, but going safely to guarantee themselves a comfortable stay by following the experience of those who went before them.

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The Millennials

Although their activity is mainly in the online world, they also socialize in the offline environment, according to the IST project manager. "They are social creatures who value group work and co-creation; they need shared spaces where they can collaborate. Proof of this is that 36% of Millennials prefer to work in the lobby of a hotel or in a common area, compared to 17% of older generations".

The Millennials are one of the new typologies of travellers included in an extensive report published in the HOSTELTUR magazine in July and can be downloaded as a pdf document via the following link: New tourist profiles: are we ready to satisfy them?

❖ **Millennials,** who respond to the "here's your key, take care of yourself", and the
❖ **Babyboomers,** who want "to have everything done and not have to worry about anything".

What are the Millennials like?

Millennials are more interested than previous generations in travelling as much as possible. In fact, the United Nations estimates that **20% of all international tourists, 200 million travelers, are young.**

This is a generation that is looking for **more than sun and beach**, likes to explore on their own, stay in hostels rather than hotels and prefers to choose longer trips, rather than a "10-day vacation". **They also need to be online at all times and if you give them a bad service, they are very likely to put up bad reviews online without any embarrassment.**

They prefer holidays that offer outdoor activities such as climbing, canyoning, trekking... **And they want brands to create for them ways to live these experiences at a fair price.**

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The Millennials

Now that you know them a little better, how do they behave when booking online?

Four out of five book directly from mobile devices
Is your website responsive? I hope so, because otherwise you're already losing them.

55% use various devices when buying
So it must also be adapted for tablets. It's not just about the smartphone.

57% prefer to buy using a search engine, rather than through an app
So don't waste time and money developing an application for your company. Focus better on the previous point, responsive design.

Women prefer to do it from home, men "on the go"
It is curious how the behavior of each user changes depending on where they are and their sex. Women prefer to shop from home. Men, on their way to...

What frustrates you so much when it comes to shopping?
Very high load times, non-optimized sites for mobiles, blurred images, slow purchase process, poor site usability...

The loading time of your page on your Smartphone is fundamental
68% say that they would not wait more than 5 seconds for the page to load on their Smartphone. Who does not close a page before it closes? A lost customer.

They attach a lot of importance to the images of the product or service
55% say that they would not be able to buy from mobile devices if there are no good images of the product or service in question. So the visual continues to sell.

After these 7 keys of how Millennials buy online, do you think your business is ready for them? Do you think you can satisfy all their expectations

C l a s s O n e | H o s p i t a l i t y S o f t w a r e & A d v i s o r y

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How to optimize the mobile web to increase hotel bookings

The user demands an increasingly personalized experience and reduces the time spent

Nine out of ten smartphone owners in the UK use their phones to search and plan their holidays, but the majority of transactions take place on a desktop or laptop computer, according to a recent survey. A Nucleus report last October also revealed that one in three visits to the 11 travel websites analysed is made from a mobile device.

The opportunity seems obvious: to ensure that consumers can use their **mobile devices** at all stages of the process, from search to purchase, so that they can make **more reservations** and do not have to resort to **customer service lines**.

Here are five tips from **Eric Miller**, corporate account manager at **Monetate**, for **hotel sites** to improve their **mobile experience**, beyond the responsive standard and UX-related standards.

1.- Be consistent

Much attention is paid to attracting consumers to the hotel or chain's website, but they are usually left hanging once they have arrived there, according to Miller. The customer who arrives at your site through a paid search, email, **social networks** or any other channel, needs **to be accompanied on your website**, not simply left on the landing page. Maintaining the "smell trail" of your message throughout the visit is key if you want to **increase the percentage of bookings and revenue**, according to Miller.

Customers also **open over 65% of their emails from their mobile**, according to Miller's data, which means that recognizing traffic driven by a mobile campaign is equally important.

2.- Use geolocation techniques to target your marketing

Knowing where your customers are and where they are going is a blessing for any particular travel and hotel website. Brands that target consumers based on their current **location or destination** register significant increases in bookings, market share and loyalty, according to Miller.

Browser tools can help you easily change the content of your site based on each visitor's location, creating a relevant user experience without having to redesign the page or duplicate the entire site version.

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How to optimize the mobile web to increase hotel bookings

For example, travel websites can include the distance to the nearest airport or the location of the car rental or hotel to encourage consumers to **switch from searching to booking** only using the real-time location data that is readily available.

Nine out of ten smartphone owners in the UK use their phones to search for travel, but complete the booking on the computer. Shutterstock image

In this regard Miller has indicated that it can be very useful for flash sales when the local cruise ship or hotel has inventory available for those who are in the market and in their market.

3.- Pay attention to the weather.

There is no doubt about it: **weather changes purchasing behavior**, especially in the tourism industry.
By focusing on the weather, you can promote **relevant offers based on the real-time weather conditions** of the people who are browsing your website. Miller gives an example: in the winter months consumers visiting your site from places where the temperature is below zero can be shown messages that evoke images of holidays at the beach.

Another example could be when a visitor checks in online for their flight a day before departure, you can anticipate possible delays due to the weather and offer alternative travel options or other tips.

4.- Make fidelity rewarding

Many of the hotel websites only show the client the total points accumulated in their **fidelity** program, which does not offer them any incentive to take advantage of them for an upgrade or any other opportunity to use them. Miller suggests adding a **real-time calculator** that shows consumers how close they are to getting a free night or reaching the next level. Would this cause them to **spend more money**? Probably.

Also, make sure you show **recommendations** throughout the purchase process, where users can spend their points once they have reached elite status.

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How to optimize the mobile web to increase hotel bookings

5.- Focus on the destination

Don't offer all customers the same experience. Once the user tells you where they're going, **personalize** the relevant **messages** of their destination, according to Miller. Make sure you maintain agreements with businesses around the hotel for **special offers** on tours, recreational activities, dinners and other opportunities to enhance their vacation and brand fidelity.

As Smartphones will increase their importance in the search for travel, the need for a **more personalized mobile experience** will only intensify this trend.

Pay attention to the **data entered in the search**, where customers are going, their departure and return dates, and even their browsing habits on third-party websites and their purchasing behavior. Identify the correct data to offer a **more personalized experience** than your competitors.

And **respect the user's time**. Many sites require more time than necessary for customers to find what they're looking for. Let them save time by creating a **simple and relevant experience** and you will gain more in sales, conversions and consumer fidelity.

6. ONLINE REPUTATION:

It is basic, since 81% of travelers use it to make their travel decision.

Classic word of mouth brought to the Internet Age. Digital identity is what we show about our brand, but online reputation is what others say about our brand. Therefore, it is essential not only to monitor what is being said, but also to interact with users and make it easier for them to give their positive opinions on the net so that they become our best consultants and marketing agents.

7. WEB:

33% of reservations are made directly on the brand's website.

Websites are the online version of our business. If we sell in a hotel and serve customers, we must do the same from the website, making it easier for potential customers to book and hire online. In addition, we can use this platform to capture leads or contacts from interested users and measure their behavior on the web.

Therefore, in the tourism **sales strategy**, we must take into account the six keys to distribution of our products or services: mobility, OTA, meta search engines, social media, online reputation and web. In this way, not all clients will arrive from the same channel, but from several and we will have adapted to the real demand of today's users. Do you use all these distribution means? Can you tell us the results obtained? Is one more important than another in your distribution? And in the case of not belonging to the tourism sector, have you considered applying these keys to your business? You will be surprised how similar they are...

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Long Tail

And yet, thanks to the Internet there are more and more businesses that make a profit from stocks of rare products in markets made up of "geek" buyers. We call this *long tail,* that is, **the profitability of residual niches thanks to the capacity of the Internet** to offer globally a product for which someone somewhere in the world is willing to pay.

Be aware that geolocation marketing is becoming consolidated, so it is time to experiment with new campaigns and see what works to attract new customers and what we should not repeat.

Do you want to reinvent yourself in these times of crisis? Geolocate your company!

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81% of travellers look at <u>comments</u> before booking, according to a computer graphic produced by Olery with data from Tnooz and <u>Comscore</u>.

On the other hand, 46% of travellers write comments about hotels and 49% would not book without first having been able to consult ratings. The higher the category of the hotel, the better it is rated in the ratings.

53% of the ratings are written by women but men complain more. While the age group that writes the most valuations is the 35-49 year olds, who account for 45% of the comments. On the other hand, 22% of Smartphone owners read hotel reviews on their mobile phones.

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The key will be to be able to implement a **complex, dynamic and reactive pricing strategy**. Optimizing the gap between two room types, two rate policies or two durations of stay will be crucial.

In addition, customer-centric **Revenue Management** will develop very quickly, pushing hoteliers to make better use of the data stored in their **PMS/CRM** and to take advantage of having **direct physical contact with their end customer**, unlike OTAs, during their stay in the establishment.

It will be important to know exactly when to **open, close or limit sales** in each channel. Or how to **adjust prices** between channels depending on your commissions and your level of production.

This will be done **dynamically**, depending on the type of night, the level of demand, and many other variables, in order to **maximize the net RevPar** of the commissions.

The game has begun. The one who applies the Yield last will apply it best.

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How should the intuitive design of the mobile hotel web be

Intuitive design, the term **frictionless design**, should be the primary objective in creating a mobile platform for hotels because it is exactly what the consumer demands. But what exactly does that mean and what does it imply?

A **better mobile experience** translates into greater value creation for the consumer and, consequently, more bookings via mobile. As both searches and mobile bookings continue to increase in aggregate percentages (some forecasts predict that **mobile bookings will have increased by 20% by the end of the year**), this aspect cannot be neglected in the budget for the web, even if the site is less than three years old.

A website that is more than three years old is boring and does not respond to current mobile platforms or consumer expectations.

In addition, **the behavior of the traveler with a <u>smartphone</u>** is quickly fragmented: some people search by mobile phone during the lunch break and then record their credit card information to make a phone call to the reservation center or make it later on their laptop. Some also complete the entire process on their mobile phones, which is especially common for the increasingly frequent **last-minute bookings**.

In any case, it is critical that hotels **take control of their mobile presence**, and this can only happen with the right design.

The next generation of mobiles has arrived, and the **hotel's mobile website has to be perfect and not offer any problems**, or else guests will leave for another page. You have two seconds to make a good impression on the consumer, no exceptions.

In the formal part, the **intuitive design** means no cuts, fast loading times, preferably below two seconds, so the cognitive mode does not come in. It also means no popups, intrusive ads and minimal screen compression. But that's already known.

To find out more about what the next generation has in store and what consumers will expect in the near future, **Larry Mogelonsky** turned to **Anthony Zebrowski**, CEO and co-founder of **GuestDriven**, for his forecasts. GuestDriven, as its name suggests, designs customized mobile loyalty platforms for hotels.

Zebrowski stresses that, like the travel experience, any mobile design has to be **visually appealing and help eliminate worries**. Contributing to intuitive design, this professional also offers other tricks based on his company's experience in this area:

1.- The smartest thing is for the **mobile web to function as a landing page**, a concise introductory page that loads quickly and allows for anticipation. From there, graphics and images can help to please the eye and break down walls of text for easier 'digestion'.

2.- The mobile experience must be **localised**, i.e. adapted to the language and nationality of the traveller.

3.- The following is the ability to directly offer benefits and packages in a **clear and concise** way, which is always a plus.

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How should the intuitive design of the mobile hotel web be

Instagram vs. Facebook

Zebrowski has highlighted **Instagram**'s approach to the mobile device in front of **Facebook**. The latter is a mature and strong app that allows you to do everything from your mobile: personal updates, events, news feeds, comments, videos, 'like' and so on. With so much choice many users can find its interface confusing and time consuming.

Instagram is closer to the saying **'less is more'** by allowing you to take pictures with a unique function that works very well. This simple yet powerful approach is imitated by GuestDriven and many other fast growing startups like **Uber**. To this end, a good way to help simplify the mobile aspect is to use the box menus.

The tourism and hospitality industry has some unique challenges to overcome in terms of mobility. Hotels or association websites have to **follow the entire consumer lifecycle**, offering a multitude of information in a simple interactive design.

Challenges

To dispel **security** concerns, mobile websites and applications should not include processes that require credit card details, but offer the possibility of contacting the central booking system through a secure link.

Another objective now is to eliminate long queues at the reception desk when checking in to free up your staff to respond to other customer service needs. Aside from encryption issues, a mobile web site should be designed so that guests know that **checking in or out with their smartphone** is really an option.

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The battle of distribution is in customer fidelity

The entire ecosystem of agents involved in the distribution of the hotel product/service works to put itself ahead of its neighbour, to be the first, to have the best platform or to work in the greatest number of markets. Powerful corporations employ a large amount of resources to be at the forefront of the battle to be a market leader, to conquer certain niches in favour of users and to consolidate their brand in relation to a positive response from users. Do you really think that you can compete in distribution when there are companies like Booking that have powerful development departments to optimize their platforms? Have you ever done numbers to know if it is more profitable to delegate the distribution or continue to save the commission with their own tools? Surely more than one has thrown numbers, land this idea and see the market with other eyes.

It is clear that we cannot become a captive client and depend one hundred percent on these platforms, since future policies that they may employ escape our hands and it is not convenient to be the puppet of any macro-corporation that seeks its own benefit, but with large doses in vocation of improvement towards its client, which are none other than the accommodations and its stock. Once we are in the picture we must really know where the game is played as a manager of a tourist establishment, so far and from now on even more so. We must think that the client passes through our hands, and from the moment he crosses the door of our hotel or our tourist apartment, everything that happens from there can multiply by 10 the influence that we have on the client and on the future actions that we think to carry out on his "person". This is where the main battle is fought **for the client's recurrence**, in the event that he returns to the destination for whatever reason.

We all say that the **client is unfaithful by nature**, but we must also say that many of the clients we have are repeat customers and by increasing this "repetitiveness" in the visit we save ourselves some amazing distribution costs. A client who arrives directly without visiting the website, without booking through Expedia, without clicking on Adwords, without being a Facebook fan..., when that client arrives by his own means and/or by his own conviction after a positive experience, we have a huge reduction in the cost of acquisition and therefore a greater return on the visit.

What would happen if in your hotels reduced a part of the marketing cost and used it in an interesting fidelity program? It is clear that it is difficult to work in the future because what is needed is liquidity and to pay bills (we all know that) but working to promote early booking and fidelity to ensure a repeat customer, we will have a greater relief and better optimize the distribution costs, marketing and sales by better analyzing the market and not shooting at everything that moves (which is unfortunately often done when we get nervous), devalue our own with emails at the wrong time, flash sales, increase the commission of the OTAs ...

It is useful to analyse the roles of all the agents, to know what the position really is, to count the eggs we have and to see well what baskets we have available to deposit them in. We may be spending resources on wars that do not interest us and that is when we are wasting time and money.

With this article I want to encourage you to build fidelity, improve the experience, test if a points program works, send discount coupons to new customers, be interested in your customers without expecting anything in return, have a coffee with them..., do those things that make us feel human, because that is where OTAs don't reach and where the hotelier has the main competitive advantage. Affection cannot be automated, so that is where you can work to lower the margins of occupation that we delegate to others and that the direct reservation comes through a satisfied client who does not use Adwords or organic searches to know that we exist, but who has a memory that I index in his memory and will make him visit us again.

Andrés Romero, Technician in Tourism Marketing

Improve your bookings with StarMR

Increase your hotel's revenue with dynamic rate management

Rubén Sánchez,

CEO BeOnPrice

Written on May 1, 2016

We are in a moment of challenge and technological transformation in the hotel industry.

The client's technological experience has evolved. Users have multiple information tools at their disposal to book a room and this makes them demanding users who prioritise those hotel establishments that make their stay easier and more pleasant: location, restaurants and services offered, score of previous clients, type of hotel...

In addition to this transformation, reservations are closed earlier and margins are reduced by the commissions of the intermediary portals, which means that hotels cannot be competitive while maintaining a fixed offer.

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Increase your hotel's revenue with dynamic rate management

Use dynamic pricing in your hotel

What is it? The technique consists of maximizing the profitability of each reservation at the time it is made thanks to the optimization and adjustment of prices when the rooms are contracted by the future clients.

It is important to learn how to be more efficient when managing the hotel's revenue, with automated management and using the latest technology to manage everything that happens in the environment of variables (prices and availability, competition, reputation, disparities, visibility, demand, events, etc.).

The need for solutions for the hotel sector in order to sell more and face the continuous changes of the market (demand, competitors, pickup, etc.) through a dynamic management of rates becomes essential.

It is time to take advantage of all the technological innovations that allow us to study the data on the market and adjust the prices of the rooms adapted to the values that the client takes into account before selecting a hotel. As well as compiling the parameters that influence the reservation (category, location, Internet, user ratings, cleaning, parking,...) to **adapt the dynamic management of rates to the preferences of each customer segment**.

The experience as Revenue will give me hints of reservations, rooms, users' opinions, statistics of previous years, competitive surveillance... But I will never be able to control all the parameters that affect the optimal price adapted to each of the cases that happen.

That's why the mathematical algorithms that establish the price as an optimized solution and configure the concrete strategy based on all the parameters we need will facilitate the task in an exact way to transform the way we offer the hotel services.

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Increase your hotel's revenue with dynamic rate management

Take advantage of "Guest Intelligence"

In addition to the indicators mentioned above, thanks to technological developments it is possible to know all the customer's booking behaviour. The development of Guest Intelligence is consolidated as one of the fundamental pillars for the adequacy of prices.

What does it consist of? It consists in knowing better the guests in order to be able to anticipate their needs. We need to know the competitive position and price elasticity in the market by adapting the price according to the guests' expectations.

With this information, **we will increase the capacity to react to market changes, automate the publication of the optimal price in the sales channels, personalize the calculation of the optimal price through business rules according to the needs, and therefore make the hotel the most competitive in terms of quality/price at all times.**

That is why companies like Beonprice have carried out a rigorous research process to develop the BQI®, the first comprehensive quality index, which is made up of the important parameters for a client when booking a room (location, facilities, catering, guest ratings, rooms, membership of a hotel chain, extra services such as Internet ...), which are responsible for determining the competitive position of the hotel against its competitors.

In short, the tourism business evolves and offers you the latest technological tools that affect pricing decisions. Using an intelligent dynamic pricing strategy based on Guest Intelligence to position yourself as a leader in your sector is in your hands!

Improve your bookings with StarMR

You need smarter rate and profit management.

Des O'Mahoney, CEO Bookassist
Written on May 11, 2016

We have seen significant changes in Revenue Management over the last decade, moving from rigid yield management rules to a more dynamic form of rate management and distribution. In addition, systems and technologies have been developed that are useful for managing tariff or pricing strategy.

We are living a key moment for the training of hoteliers. But unfortunately, many establishments have not made sufficient tactical changes in the short term to reach the new strategic point of view in the long term, which is indispensable for the management of their rates and room inventory. In our experience at Bookassist, hotels have not yet focused on the essence of the problem - **how to sell the product at the right price, to the right person through the right channel, at the right time**. In the event that the hotel is doing so, it usually focuses on only one of the two aspects, usually no more than two months in advance. After six months of analysing a large number of hotels, we have seen what is happening in terms of rate management and availability. We can conclude that this management is relatively unknown. The tactic chosen on many occasions is simply to keep rates high and worry about the results afterwards.

The long-term strategy of OTAs

One thing is clear: online travel agencies are changing their long-term business strategy, which poses a real danger for hotels with little preparation. With the short-term online booking period dominated by OTAs, they still have little opportunity for long-term growth, unless they try to increase the amount of advance booking. When ATOs try, they have a high chance of succeeding, as many hotels are not really aware of their own long-term business.

With hotels focused on maintaining "**rate parity**" and "**last available room**" in the short term, OTAs are taking advantage of obtaining long-term reservations, before the hotels can even react.

OTAs are demanding greater availability from hotels for future months. Account Managers at OTAs, especially Booking.com, advise hotels to give more availability 6-12 months in advance, which would help hotels sell more. (My advice is exactly the opposite - don't give OTAs more availability unless they are forced to). Although hotels would get more bookings because of the strategy these agencies follow, **their chance of maximizing net profit and reducing dependence on ATOs in the long run would decrease, at the same level as short-term sales.**

As we all know, it is not really beneficial to know that our hotel is full for the next 6 months. This is a loss of opportunity, as we will not be able to efficiently manage the capacity and generate a higher profit per room. This is precisely where OTAs are trying to gain an advantage. Don't say you haven't been warned.

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Revenue planning managers

Hotels have to move from short-term tactical planning to a more comprehensive view of it. The real vision of strategy is to consider the rate in the context of the **cost of acquisition**, so you would be in a position to develop a long-term profit strategy, and not simply a rate strategy for your hotel. Ideally, an optimal rate should be tailored to each different channel for each day of the year.

The ability to combine rate maximization with proper management of distribution channel capacity is the new goal for hotels. This may be difficult to achieve, but it brings great benefits.
When planning a strategy, the main factors that should influence your rate setting are,

Secondary factors influencing tariff setting include (among others)
❑Events
❑Historical hotel results
❑Cancellations
❑Competition
❑Pick up
❑The weather
❑Political / economic situation
❑Specific segments

In the case of these factors, they are more specific to each hotel and depend on the location of the hotel, and do not always allow for standardization. Their relative influence can also change rapidly. The information used to implement the strategy determined by the primary factors should be clear, and in-depth knowledge of these data is a great advantage. We can understand these secondary factors as small adjustments we make to the overall plan, which increases the chances of maximizing profit.

Carrying out a plan
Here are some steps you can take to make sure you're pursuing a strategy that really benefits you.

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You need smarter rate and profit management.

❑ Accept that fee-setting should be a discipline based on scientific data and not intuition. **Revenue Managers do not work with opinions, only with data.**

❑Make sure you have the right person to lead the plan, with the necessary training and experience, up to date with the latest changes in distribution, focused on maximizing direct sales, and able to communicate the strategy to the organization (Reception, Sales, etc...)

❑It uses technology integrated into your PMS to help adjust your strategy based on the Primary factors, but allows for manual modification, so you can optimize results on key dates, based on secondary factors. Systems that set prices without giving reasons why and how, are not very helpful in developing your strategy. Don't believe everything you are sold.

❑Strategy should be set based on profit planning rather than rate management only, so consider setting different rates for different channels.

❑The acquisition cost per channel should be identified. Without knowledge of the actual acquisition cost, you cannot determine whether or not the rate you have set for each channel will yield a profit.

❑Remember that redirecting your business to direct sales as much as possible can bring more profit when it is accompanied by a fee reduction. **Profit planning should attempt redistribution in favor of direct selling whenever possible.**

❑In order to know the appropriate rate for each day of the current year according to the distribution channel, you can combine short and long term strategies in your plan, and analyze it regularly to ensure that the rates for the whole year are properly planned.

Above all, make sure that the strategy is communicated to the entire organization, so that the reasons behind the choice, of each channel and rate, are known and supported by all team members. If your plan requires changes in distribution strategy, such as stimulating direct sales, it is vital that everyone in the organization knows that this strategy will bring greater benefit and better results.

This is especially important, since some people in the organization are responsible for the distribution channels that your new strategy aims to reduce. Instead of being seen as a threat to your area, knowledge of the overall strategy should help justify the changes and involve the rest of the hotel members. In addition, we should encourage members from other areas to work together to find ways to reduce their business in favor of the direct channel. This should be essential (and encouraged) in the organization.

Collaboration: Carlos Rentero (Director of Operations Spain and Latin America)

Improve your bookings with StarMR

You need smarter rate and profit management.

❑Occupation
❑Length of stay
❑Advance of the reservation
❑Day of the week
❑Season
❑Sales channel

Many of us are familiar with the above, but in typical Revenue Management, the sales channel would not have been considered a primary influencer. But it is important to realize that revenue management is not just about getting the highest price of the day. The price elasticity curve is more complex now since the client began to have access to multiple channels to obtain the same product (actually, the hotel through its distribution strategy has allowed the client to access its product through many channels.

In the process towards maximizing profit, which is a fundamental objective**, there is much more effectiveness in reducing your effective selling cost than increasing your rate**. By redirecting your business away from OTAs and towards direct sales from your website, you can increase your net profit, especially if this is accompanied by a reduction in the rate. For this reason, at Bookassist **we consider the sales channel to be a primary factor in setting the pricing strategy**. In addition to this, direct sales provide more information about the customer, which you can use to increase pre-stay performance and post-stay marketing.

An interesting thing about these main factors is that it is quite practical to automate a pricing strategy based on these parameters, as most of them can be measured and evaluated regularly. The main objective of this is decision making based on facts and figures, as intuition is not always reliable in the long run. We can find a large number of tools on the market that help the hotel to access and manage the information found in the PMS and which is updated daily.

Improve your bookings with StarMR

Cloud computing, the mobile environment, social networks, the internet of things and other technologies such as geolocation, virtual reality or augmented reality, as well as online travel agencies and intermediary platforms are the main trends in the tourism sector, according to the report on The digital transformation in the tourism sector, prepared by the Orange Foundation.

In the presentation of the study at the Petit Palace Hotel in Madrid, it was highlighted that the digital transformation process in the tourism sector is based on four strategic axes, highlighting, in each of them, good practices (48 good practices and one success story) in companies and public entities in which innovation is a determining element for disruption, and which can also serve as a reference for other companies or organizations that are starting or have started this digital transformation process.

Improve your bookings with StarMR
The 10 trends in digital tourism

The selection of these practices -which includes experiences of the different agents that participate in the sector: agencies, hotel chains, tourist destinations- combines Spanish cases, from large companies to small highly innovative entrepreneurs, with some outstanding international practices, taking into account, in all of them, both companies that are advancing in their digitalization processes and new companies that, through the use of new technologies, are accessing in a disruptive way to businesses that were previously alien to them.

The analysis is based on four axes: Cloud, Mobile, Internet of Things and Social

Cloud: digital products and services around cloud computing and DATA.
Mobile: referring to the ecosystem made up of mobile devices with an Internet connection, as well as all the platforms, services and applications associated with them.
Internet of Things (IoT): the set of devices and objects connected to the Internet with special attention to their application in home automation and sensorization.
Social (social networks and collaborative economy): the digital platforms through which users participate, collaborate, share and exchange content, goods and services.

Trends in the digital transformation

The analysis of these different successful practices shows the emergence of new intermediation models, generated by the combination of different technologies and the irruption of new agents, which have favoured the generation of new business models.

On the other hand, technological platforms based on **cloud computing** have become the core of any tourism company's computer system, facilitating the management of seasonal businesses, the management of organisations with dispersed headquarters and growth and internationalisation strategies.

Improve your bookings with StarMR
The 10 trends in digital tourism

For its part, the **mobile environment** is consolidating as the preferred space for tourist services, in the face of active, constant and ubiquitous user demand in which m-Commerce and last-minute shopping have become commonplace. In addition, mobile connectivity is in demand free of charge in all types of tourist establishments.

As for the so-called **Internet of Things**, which is expected to provide a major boost to this transformation, the first forays are being made into the development of applications, mainly by large hotel chains and theme parks. Wearable devices, smart bracelets and beacons are the main technological elements of the applications, to which sensors could be added as part of the global concept of smart cities. Precisely in this concept, the commitment of the Public Administrations to tourism is shaping an impulse to the application of advanced technologies in the so-called tourist smart cities.

In the field of **social networks**, these have become, on the one hand, excellent tools for tourism companies and institutions to know what works or not of their products and services, and also a channel of personalized communication and attention to their customers. On the other hand, the great impact that the collaborative economy is having on the sector is already giving rise to the creation of a large number of market places and new businesses, generating a new ecosystem of activity.

Another trend is the emergence of technologies that are beginning to play a leading role in the sector, such as **geolocation, virtual reality and augmented reality**, which are helping to improve the provision of services and the customer experience and to promote personalised and proximity marketing. In addition, the possibilities offered by many of the new technologies for generating and capturing data, which reflect the behaviour, preferences and movements of tourists, are revealed as fundamental for knowing them better and being able to feed back with that information, processed with big data and data analysis tools, their offer of tourism products and services.

Online travel agencies and intermediary, search and comparison platforms are also setting the trend, and there is strong competition between them. At the same time, their relations with other agents in the value chain have become more sophisticated and complicated, creating new business models and incorporating user comments into the search and comparison systems. Their future strategies include internationalization, increased mobility, improvement of the customer interface and diversification of their business.

Improve your bookings with StarMR

Las barreras de la transformación digital del sector

Sector con resistencia al cambio por parte de las empresas menos innovadoras

Estructuras organizativas demasiado rígidas y jerarquizadas

Falta de visión estratégica por parte de los directivos

Falta de talento y conocimiento en habilidades digitales dentro de las organizaciones

Sector muy atomizado y competitivo con grandes agentes internacionales

Dificultad de financiación para innovación digital

Incertidumbre regulatoria ante los nuevos modelos de negocio

Desconocimiento de los beneficios y ventajas de la digitalización

Constante definición de la cadena de valor

Deficiencias estructurales en cuanto a infraestructuras TIC en el sector

ESPAÑA

The study points out, in turn, the main barriers that the digital transformation has to overcome in this sector: Resistance to change on the part of less innovative companies, certain deficiencies in terms of ICT infrastructure, with very limited use of what are considered more advanced technologies today, or the lack of talent and knowledge in digital skills within organizations are the main obstacles identified.

Improve your bookings with StarMR

Accessibility and ease, the reasons behind online bookings

According to the latest research by MarkMonitor, 68% of tourists worldwide book exclusively online. While 7 out of 10 travelers say they are not satisfied with their vacation, by not meeting their expectations.

Faced with this situation, 42% of respondents acknowledged having written a negative criticism in the place where they made the reservation, while 40% chose to try to recover some of their money, and 35% went to report the fact to a consumer association, making their complaint official.

In this sense, Mark Frost, CEO of MarkMonitor says that "with the growth of social networks and the new culture where consumers can share their dissatisfaction widely through social networks, online brand protection has never been so important. This is especially evident with the fact that when asked how they research a particular travel website to find out whether or not to use it, almost half, 47% of consumers said they do so by reading other users' opinions.

On the other hand, the reasons for this increase in online bookings are basically three: the accessibility of the medium (88%), the price (54%) and the variety of the offer (40%).

The study also shows that Internet users are currently looking for genuine and original content on the Internet, avoiding copies or fakes.

Improve your bookings with StarMR

The Big Data reputation, center of smart destinies.

In the current context of "intelligent destinations", knowing the opinions that tourists share in different online platforms, regarding their experience in accommodation, beaches, restaurants, museums, shops or events, has become an opportunity for competitive improvement of companies and destinations.

In this line of innovation in tourism intelligence, the Las Palmas de Gran Canaria Promotion Society has committed itself to incorporating the opinion of tourists shared massively on the Internet, within its strategies for positioning the destination. This commitment has been materialised in an ambitious **360° Online Reputation study**, carried out in collaboration with the specialised company Vivential Value.

According to Pedro Quevedo, Councillor for Tourism of Las Palmas de Gran Canaria, "knowing in detail what a tourist experiences in our city allows us to make our companies more competitive and our city more attractive to visitors and citizens", for which the study has established the basis of a scorecard of satisfaction and prescription of the users of the different tourist resources of the capital.

Thanks to this reputational bigdata, this scorecard has included very precise segmentations of satisfaction and evaluation of hotels, restaurants, beaches or museums, analyzed by different periods of the year, by the country of origin of the tourist or if they were traveling with family, couple or friends.

Among the most innovative indicators, and which **have been implemented for the first time in Las Palmas de Gran Canaria**, it has been possible to obtain **maps of opinion concentration** (which will help to determine where to place emphasis on reinforcing the visibility of lesser-known resources), **to know diagrams of excursionist flows** (which will make it possible to improve complementarity with other destinations in Gran Canaria) or **to precisely trace the areas of activity of the cruise passengers** who visit the city (identifying new opportunities for satisfaction and loyalty of this large, one-off flow of visitors who enter by boat).

Improve your bookings with StarMR
Why do customers leave the online hotel booking process?

Online marketing does not pay enough attention to the user experience on the web

SaleCycle decided to find out why customers do not complete their reservation, through a survey of 1,000 people in 12 countries. Eighty-six percent of respondents said that they regularly booked online and 94% said that they had recently left one of these processes.

These are their answers as to **why they leave their reservation unfinished:**
- 39% were just looking or want to do more searches.
- For 37% the price was too high and they want to compare with other sources.
- 21% need to review comments from other users.
- For 13% the booking process was too long or complicated.
- 9%, because of technical issues.
- 7%, due to payment issues or lack of payment options.

It is important to note that the last three reasons, which add up to 29% of the reasons why users abandon the process, are due to the way in which the aforementioned procedure is configured and executed. These last three reasons can easily be avoided by investing in an appropriate booking technology that offers a 'user-friendly' interface. The online alternative for this 29% is to book through an OTA, which forces hoteliers to pay them a commission.

The first three reasons are somewhat beyond the reach of hoteliers, but there are some initiatives they can take to mitigate this high abandonment rate. For example, by providing a link to the latest comments from other travellers that opens the page in a new window or tab, so that the user can view the comments without having to leave the booking process. If they try to leave by closing the browser window, you can offer them a percentage discount offer, tempting them to book at that time without looking at other OTA rates.

The next question, logically, is **where exactly do they leave the booking process?:**
- 53% when they see the price.
- 26% when asked for personal data.
- 21% when they ask for payment information.

This second block of data is very illustrative and coincides with the results of the previous one. The first reason why clients abandon the process, because they want to do more searches, actually, according to the results of this second block, has to do with the **price.**

Improve your bookings with StarMR

At **SaleCycle** they believe that a large part of the abandonment of the process is due to the price, although in their opinion it is important to stress that the customer does not necessarily think that it is too high, but wants to make sure that he gets a good price. After all, users are conditioned by the OTA ads on TV, which encourage them to compare rates and do their best to get the best one.

The good news **is that 87% of respondents say they return to the process** in these time periods:
- •43% within the same week.
- •33% on the same day.
- •13% the next day.
- •11% after one week.

The willingness of customers to return is therefore important to address those who have already entered the booking process but have not yet completed it. Refocusing **banner ads** is one of the options, especially those based on price or offers.

Certainly there is still a long way to go, with the mind set on that 81% of customers who leave the online booking procedure. Some of their reasons, which are related to **user experience and technical issues**, should be solved immediately and should never be a cause for abandonment again.
Other factors are out of the hotelier's control, but there are certainly things that can be done to **regain the interest of customers**, decreasing the abandonment rate of the process.

Improve your bookings with StarMR

Even when the client has consciously identified a problem, a need or a goal to be achieved, the truth is that his mind has begun to unconsciously buy the solution much earlier. If a salesperson understands how people's minds buy, their sales will flow naturally.

Selling is the art of helping the customer solve problems, meet needs or achieve goals

Two processes occur in a person's mind that will help him or her make decisions regarding the solution of a problem. The first is an unconscious "influencing process" and the second is a conscious "buying process".

The process of influence is unconscious and is where prejudices and preconceived ideas are created about everything involved in solving your problems. Sellers never participate in this process and that is a mistake because it is at this stage that the sale begins. At this stage we can empower the client with the knowledge and understanding necessary to make the sale flow at the moment the person is aware that they must solve a problem or satisfy a need.

Example: I can explain to you that there is a method to approach a potential customer that does not detect that you want to sell him anything but rather wants to know more about your product. After I explain it to you, you will be configured to make a different decision regarding how to solve your sales problem.

Purchase process: This is the stage in which the customer is aware of the problem he wants to solve, the problem at this stage is that the customer thinks he knows what he needs and that he is able to decide without even the advice of the supplier. The Internet has made it possible for the customer to think that he can find out everything he needs to know before choosing the suppliers he would like to talk to.

In the purchase process, at the moment the seller appears, the client carries a burden of preconceived ideas and prejudices obtained in the process of influence where the seller has not participated. So why do most salespeople start the conversation by explaining their product or asking for a meeting to present their product?

The moment a salesperson starts talking about his product without being asked about it, he has lost the sale.

A good practice would be to try to discover what those preconceived ideas or prejudices are regarding the solution to your problem or need to be solved.

Improve your bookings with StarMR
How people's minds buy

Example: On one occasion I had the following conversation with a coach...

Coach: I need some method to rebut my clients' objections. I have been told about several foolproof methods, but I would like you to recommend the best ones and how to apply them so that I don't miss any clients.

Neil: What kind of objections do you get?

Coach: Most of the time I hear the following phrase "...your service is interesting, but I can't invest in that now, maybe later... "

Neil: How do you respond to that objection?

Coach: I'm asking if I can call you back in a month, because I was told in a sales training that I had to follow up on prospects.

Neil: What happens when you call a month later?

Coach: I get the same answer "...now I can't invest, maybe later..."

Neil: You think those people are lying to you? What's changed in a month? Why do you think the client would change his mind?

Coach: It's true, what happens is they don't understand that my service solves a problem for them.

Neil: I can help your clients understand how they will solve their problem with a service like yours.

Coach: That's what I want, but how are you going to do that?

Neil: When we started this conversation you were asking me for a method to rebut objections and you were heavily influenced by different techniques that you had been told. You weren't prepared to understand what I was selling.

3 steps to enter the human mind, in a sales meeting, without conflicting with your beliefs and prejudices

1. When you first talk to a possible client, don't talk about your product unless you're asked. Take a few minutes to create an atmosphere of trust, make sure you like them and make them feel that you're not after a commission.

2. Don't give your opinions on how to solve their problems, that creates distrust. Find out the client's opinions and beliefs about the problem and the solution.

3. Finally, you will be prepared to focus on the solution, with the advantage of knowing the client's beliefs. Make sure you give a personalized solution and close the sale or get a compromise.

Improve your bookings with StarMR

How people's minds buy

3 steps to enter the human mind in a casual encounter, in a social environment

1. At the first contact you take a genuine interest in the client's professional activity, until he becomes interested in yours. (Believe me, by the law of reciprocity, this will happen at some point).

2. When you are finally going to say what you do professionally, please do not say these phrases: "I am in the sector of", "I am commercially responsible for...", "I am the owner of the company of...", "...I sell services of...", "I am a lawyer", etc. The stranger who asked you the question will surely want to know who you are, but at that moment the important thing is that he knows if you can help him solve a problem or satisfy a need. You must make it clear in one clear sentence what you are helping to solve. For example: "I get business leads, at least 10 every month" or "I teach professionals to sell on LinkedIn". Only in the case that your profession helps support your blunt phrase, you can use it as in this example: "I help professionals who make presentations to communicate with gesticulation, I am a theatre actor". In short, you create the itch for the other person's mind to search for the lotion by answering "How do you do that?

3. Finally, after the other person has asked how you do what you have stated with your blunt phrase, you must close the date for a sales meeting, it is not time to sell at that moment, you will show that you are not anxious. In the sales meeting practice the 3 steps I explained in the previous section.

LinkedIn makes the process of selling by understanding people's minds 10 times faster. To learn how the process of selling using LinkedIn is and how people's minds buy, I have prepared a presencial workshop "How to sell using LinkedIn" that I will give on September 15th. You can see the informatione here.

Answers to questions you always ask yourself as a salesperson about the buying behavior of people's minds:
When a customer thinks your product is expensive, it is because his preconceived ideas about your product were already associated with a price and after you have explained your product, the customer still thinks the same as before and your price is higher.
When a potential customer does not want to meet with you, it is because the mind avoids uncomfortable conversations, the customer thinks that in the conversation you will try to sell and he will try to give objections and excuses at all times.
When a customer listens to your whole description of your product, without asking you any questions, it is because they are not interested in understanding it. He doesn't interrupt you because he hopes that at some point you will stop talking about your product and start talking about the solution to his problem.
If you understand how people's minds buy, you'll get your candidates to want to meet with you and you'll be able to make them think what you want them to think about your price, whether it's expensive, cheap or fair.
Get to understand how you buy people's minds and your sales will flow.

Improve your bookings with StarMR

6 keys to turn your hotel website visits into reservations

A website is not just a design, more or less attractive, or a hobby for the visitor. Your website is the virtual image of your hotel. It has to inform and transmit confidence, but, above all, it has to get your potential customers to stay in your establishment and not in the one of the competition.

When planning a holiday, a person visits several websites in search of the best hotel, location, room and price. The journey starts in the search engine, but how it ends depends on several factors. For a hotel establishment, what is really important is that this visit becomes a reservation.

Hotels must evolve at the same speed as their customers. People now have more experience when traveling and clearer expectations of what they are looking for when they make a hotel reservation. Through the Internet, they want to know what the hotel looks like: see photos, check the services offered and the opinions of other guests.

But **what are customers looking for in a hotel website?**

1 – Images

Hotels that have good pictures get more reservations. Guests, before booking a room, will search the Internet for images of your hotel. They want to see what the rooms and common areas look like so they can make a decision and know what they are going to pay.

Pictures have to be your best ally since with them travelers will have a first impression of your establishment.
Always use original and quality photographs. If you really want to attract customers to your hotel, invest in professional photography.

2 – Languages

If a visitor doesn't understand what it says on your website, he will look for another site. Although you have a simple solution, many hotels lose a large part of their potential customers by not providing the information in several languages.

Don't trust automatic translators on the Internet. It is very likely that the translation will be wrong and confusing and that the message you send to your customers will be very different, in content and style, from the one you want to send.
Help you in the development of your website.

Improve your bookings with StarMR

6 keys to turn your hotel website visits into reservations

3 – Design

Your hotel website has to be attractive enough to make a positive impression on your potential customers. Your website should reflect the experience and values of your establishment and should also be easy to navigate.

What you want with your website is that visitors end up booking a room in your hotel, so make it easy for them. Your website should be easy to navigate: the photos, services and reservation system should be where the user expects to find them. Direct them to your reservation section and guide them so they can easily access all the information they need. If your clients have to waste time looking for information, they will leave the page.

4 – Responsive

Make sure your website and booking system are optimized for mobiles and *tablets*. More and more travellers are using their *Smartphone* exclusively to organise their trips and book accommodation. If your potential customers can't see your website information correctly on their mobile phones, they will leave the site and look for another hotel.

5 – Address and contact

A large number of users will never book a room without first checking the contact details and location of the hotel. Your customers want to know exactly how far away from the hotel are the museums, restaurants, beach...

Make sure that users visiting your website can easily find all this information.

6 – Opinions

Travelers love to read the opinions of other guests to get an idea about your establishment and services.

Encourage your guests to share their hotel experience on your website. Your potential customers will appreciate this information.

Conclusion

Your website works if it turns visits into bookings. To achieve this you have to put yourself in the situation of your potential clients, think like them, and optimize your website in such a way that it meets their expectations.

Remember that your customers will only stay on your website if it is visually attractive, informative and easy to navigate. Pay attention to these issues and hire a professional designer to help you in the development of your website.

Improve your bookings with StarMR

The "must have" of your direct selling.

Just like the world of fashion, tourism and online sales have their own "must have".

Specifically, the digital transformation that the travel industry has experienced in recent years has made **it increasingly difficult to reach potential customers and differentiate themselves from the competition**, not being possible to ignore that at present a high percentage of travelers consider the Internet as the main resource for planning and hiring a trip.

As a consequence we are in a position to say that not being in the middle makes us "invisible", but being there implies **following a strategy that is not random or casual**, rather it must be analyzed carefully, taking into account several aspects, among which we can highlight a more than correct web development (responsive), a booking engine that fits our needs, that we do not forget are those of our customers, or a good positioning, because right now appearing among the first search results on Google and reaching users at the right time, is a must, especially if we consider that the latest figures released by the "search engine" reflect that one in three users have bought online a brand that did not search for **two basic reasons:** the **information displayed** and **the time at which it arrived.**

Given this panorama, the question is ... what is the "must have" of the hotelier if he wants to appear among the first results in Google, just at the moment when the client wants to have that information and boost his direct sales?

The answer is Google Adwords

Google Adwords is Google's advertising system. A system that has transformed the way businesses, including hotels, are promoted.

The point is that until relatively recently, SEO (organic, natural or unpaid positioning) was a necessary tool for positioning. It was not simple, but it was possible. It required effort and only hotels that worked hard to "please" "Google", managed to become the "popular" guy in the class, getting as a prize to appear in a good position.

However, now, with the evolution of search engine marketing, **SEO has gradually declined**, giving way to paid positioning

And Adwords arrived, the Google tool that allows you to publish your ad in a quick and easy way, controlling the budget you want to spend and selecting the words you want to reach your users with.

Improve your bookings with StarMR
The "must have" of your direct selling.

But also...

1. As soon as you create an Adwords campaign and adjust the bidding, your ad starts to show. Once created, you can optimize keywords, readjust bids or analyze data and in the meantime your campaign will be up and running! **It's fast...**
2. Your search network ads will only appear to potential customers who want a hotel in your area, with your name or similar characteristics. **It's effective...**
3. You only pay if the user clicks on your ad. If it is shown 100 times and nobody clicks on it, your cost will be 0. You pay, therefore, for what you consume and you have absolute control over the budget you want to devote. **It is profitable...**
4. Depending on your needs and objectives, you have the possibility to make different campaigns, either to increase your bookings, increase the display of a video or the notoriety of the hotel brand. **It fits your needs...**
5. It offers you the possibility to make remarketing campaigns. This type of campaign consists of following and showing advertisements to users who have already visited your website but have not finally booked, or customers who have stayed on that same date last year. These ads will appear as a display or graphic banner in a digital newspaper or any website they visit. **More..**. ?

All this added to a good segmentation can give excellent results, that is to say, it will allow you to obtain a "good" ROI, reaching the expected return on investment through a **profitable campaign.**

Adwords, therefore, has become a great ally of direct sales, since it offers a **good positioning at a low cost**. Therefore, it is very important that the hotelier starts working with Google Adwords and becomes familiar with concepts such as conversion, bidding or remarketing that are already part of the sector.

Improve your bookings with StarMR

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Improve your bookings with StarMR

App's and videos to keep your hotel attractive to Google

But also...

1. As soon as you create an Adwords campaign and adjust the bidding, your ad starts to show. Once created, you can optimize keywords, readjust bids or analyze data and in the meantime your campaign will be up and running! **It's fast...**
2. Your search network ads will only appear to potential customers who want a hotel in your area, with your name or similar characteristics. **It's effective...**
3. You only pay if the user clicks on your ad. If it is shown 100 times and nobody clicks on it, your cost will be 0. You pay, therefore, for what you consume and you have absolute control over the budget you want to devote. **It is profitable...**
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Improve your bookings with StarMR

Google adds a filter for hotel offers that will lead to the direct booking channel

The hotel chains must be thanking Google for the **latest measure taken** that directly affects their direct booking channel.

The Montain View giant has announced that it **has begun to inform** travelers and potential hotel customers when savings or benefits, such as free wifi, are available to members of a particular hotel chain's loyalty program.

This means that the first page of the search will display a message indicating the percentage discount as well as other benefits that can be obtained when booking a room by registering with the loyalty program, through the direct hotel reservation channel.

A blow to the OTA's

In the end, what this means is that this direct booking offer that the user will find directly on Google may be, with the percentage discount, a **better option** than booking through an OTA that will reflect a competitive price but higher than the direct booking.

This **boost to direct booking for hotel chains** follows Expedia's recent experiment to promote loyalty programs by reaching an agreement with the Red Lion chain to promote its free services to more than 5,000 hotels.

Another small adjustment

Google is also making other small adjustments. In fact, it has already launched a **latest update**, visible especially to smartphone users, with which it tells potential hotel guests the **best time to book a room at a better price**. The improvement, therefore, is the possibility of filtering hotels according to whether they are offering a reduction in the rate price on the dates of the trip consulted.

In this sense, Google already **labels the offers organically** which means that it is based on an algorithm rather than marketing associations. In other words, until now, Google showed offers when the price of a hotel was lower than usual, based on discounts or historical prices.

But from now on, users will be able to filter the results to see only those hotels that the company considers "deals" or "offers".

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Improve your hotel's distribution strategy by evaluating booking channels

Making projections through customer acquisition costs or other objectives is not at all advisable if objective information to support such estimates is not available beforehand.

And, in order to achieve this purpose, it seems logical to think that an appropriate place to start collecting objective data is through the evaluation of each of the booking channels used by the hotel, the most frequent being OTA's, the direct booking website, corporate relations and travel agencies.

In this sense, the **metrics** to be taken into account, due to the values they give for the subsequent evaluation of the performance of the different reserve channels, are:
•**The gross revenue or total revenue** that a given channel has generated within a specific period.
•**User demographics** or in other words, the type of travelers that have been attracted by each booking channel.
•**The total costs** of each channel associated with its operation

Compute opportunity costs

The information collected, by evaluating each of the hotel's reservation channels through the above-mentioned metrics, will provide Revenue Managers with a clear picture of the situation by knowing **where the breakpoints are for each channel with respect to the benefit obtained by the hotel establishment.**

This analysis will allow better decisions to be made about which channel to prioritize in the future.
However, this study did not take into account **opportunity costs** or whether a given transaction could have been even more profitable if it had been carried out through another channel.

And this is where the complexity of segregating reserve sources and Revenue Management strategies becomes a more complex issue.

Sometimes a seemingly profitable scenario may not actually be profitable. If we take into account, for example, **the direct booking channel** - commonly considered the most lucrative channel of the hotel - we have to include the fixed costs - which unlike OTAs are variable as they increase as the number of bookings increases - generated by SEO and SEM strategies, subscription, accommodation services, etc.

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Improve your hotel's distribution strategy by evaluating booking channels

The difficult competition with OTA's

However, most hotels simply cannot compete with OTAs in terms of exposure due to the difference in marketing budgets.

Therefore, it matters little how much hotels invest in their website and their direct booking engine as the costs of acquiring customers in this channel will only be low if the hotel receives a significant proportion of its bookings through the brand's website. If the number of direct bookings drops too low, customer acquisition costs will skyrocket.

In this sense, it should be noted that demand generation through the direct booking channel is not the task of a single implementation but is a continuous process in which Revenue Managers will feel more comfortable as they gain more experience.

Each hotel is influenced by different factors and, therefore, the adjustment of its Revenue Management strategy will be customized, discovering what works best for each of them.

The long-term stability provided by conducting a periodic evaluation of all booking channels used by the hotel is certainly worthwhile.

and so on.

Improve your bookings with StarMR

How to maximize your revenue with customer segmentation

*If you have already identified the customer segments of your hotel or are thinking of investing time in the configuration of your target audience in order to improve the profitability of your establishment, you are on the **right track.***

Customer segmentation **allows the hotel's entire commercial strategy** to be adapted to maximize the performance obtained from the traveler, bearing in mind that we all understand segmentation to mean **attributing a representative name to a group of customers who have characteristics in common.** This is a task that revenue managers are perfectly familiar with.

The main objective sought by revenue managers, through structured segmentation, **is key to adapting the pricing strategy to demand patterns** and differentiating the product/service offer that the real or potential customer is willing to pay for.

This segmentation is basic at the time of making the forecast and rate planning.

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How to maximize your revenue with customer segmentation

Configure your hotel's demand segmentation

There is no exact methodology that identifies market segments in a foolproof way, so **each hotel should develop its own analysis models based on the information it can collect.**

These may be some variables:

- **Type of client:** individual or group.
- **Reason for the trip:** business, health, family...
- **Advance booking:** customer looking for advance booking discounts.
- **Persons per room:** singles, families, couples...
- **Generational group:** form of behaviour and communication.
- **Nationality:** language factors.
- **City of origin:** certain groups concentrated under models of high demographic density.
- **Type of fee:** non-refundable, free cancellation, early booking...
- **Average expenditure:** expenditure made by the client in the hotel in previous reservations.
- **Sales channel:** channel identification and product adaptation.
- **Cost of acquisition:** quantifying the cost of attracting a given customer.
- **Intermediary used:** identify the value proposal that has led to being interesting for a given intermediary.
- **Average ADR:** average sales price of the room to be relevant to a given customer.
- **Products consumed:** what type of services have been consumed in previous bookings.
- **Loyalty program:** loyal or non-loyal customer.
- **Pet:** you travel with or without a pet.

Market segmentation should take into account the above variables, **together with the characteristics of your hotel guests and the services you offer.**

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Class One

The key to success lies in analyzing the objective factors of the reserve

Taking advantage of the knowledge and the possibilities that the market puts at our disposal **will allow** you to adapt your products, increase your profits and have an offer that is sensitive to the needs of the client.

In this way, **the positioning of our hotel will arise from** the enhancement of the characteristics of the establishment, taking into account the public we are addressing and making the most of them.

This is what is called in the jargon of revenue management, **guest intelligence.** The analysis of the reservation process of each client to know their decision elements and to make a product that fits their expectations.

That is to say: **we will optimize our rate, enhancing the characteristics of our hotel and taking into account the price elasticity, maximizing our services at all times.**

How to take advantage of market segmentation?

Adapting the characteristics of your hotel to the expectations of the client is indispensable in an **oversupply market.**

The final objective of market segmentation is to increase efficiency, at the level of hotel income by adapting the offer for each segment, so that our products fit our clients perfectly according to the real conditions of demand.

To do this, within your daily routine as a revenue manager, you must incorporate the work of segmentation and guest intelligence in order to know **how competitive your product is for each of these segments, taking care of your competitors.**
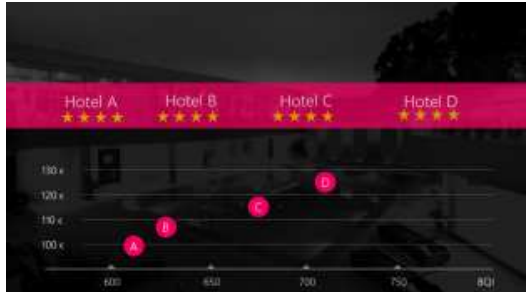
Without forgetting that, **in addition, we must analyze** the competitors, occupation, demand, quality, online reputation, forecast and budget compliance, among other aspects, in order to know how competitive your product is for each of these segments.

A key tool to condense all this analysis is to **know the competitive positioning of your hotel and your competitor**s by relating the price of a product to the quality you offer for a given customer segment mix.

This analysis can be condensed graphically (see tables 1, 2 and 3).

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How to maximize your revenue with customer segmentation

To do this, you must objectively analyse **the quality of your service offer** in relation to your competitors and **calculate how attractive it is for each customer segment**, taking into account the booking behaviour (guest intelligence).

As an example, if all the hotels in your competitive set had the same characteristics, the price should be the same.
However, each of them has different characteristics and a reputation that allows you to set a different price.
The goal is to set the most suitable price according to your quality, so that you get the best RevPar.
This analysis requires a great deal of research work that involves a large investment of time, resources and experience.
That is why **Beonprice** has created a tool that, through mathematical processes and scientific algorithms, helps to automate and simplify this process, without forgetting any of the factors that can affect the reservation and suggest the optimal price for each of the rates.

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Recover the direct sales

Pilar Sánchez Aita, head of Fastbooking for Spain and Portugal, reveals some of the secrets that can help hotels **recover direct sales:**

1.- Anticipate the 'Rate mixing' effect, always having the best offers on the hotel website.

2.- Create **offers that are not available in the OTAs**, adding value with the help of included services.

3.- Adapt the offers according to the nationality of the clients with the help of Geo-Pricing.

4.- Create a registration module to build customer loyalty and allow them to have access to exclusive offers, which will also allow the construction of a good database.

5.- Price is the first selection criterion for a traveller: **guarantee the best price on the hotel website** and show 'from' prices based on the description of the rooms.

6.- Adopt the latest e-commerce technologies: promote 'stress marketing' messages, price comparison widgets to build customer loyalty, encourage and achieve reservations from the hotel's website.

Improve your bookings with StarMR

Recover the direct sales

Pilar Sánchez Aita also adds some advice by inviting hotels to put themselves **in the user's place on their website and to focus on the customer experience**, "think of everything to turn the visitor into a customer". In this sense, she uses four necessary verbs:

1.- Seducing. The web is the first contact a traveller will have with the hotel, so we must give the importance it deserves to the writing of the content, opting for high definition lifestyle photos or even videos. From the home page, the website should make the hotel experience a living one.

2.- Convince. Anticipate travelers' questions: **practical information** such as location, services offered, customer comments or even increasing the content of their social networks are key elements for conversion, so the goal is to make Internet users have all the necessary elements on the web to make the reservation.

3.- Converting. Encourage the booking with the help of an optimal design; for example, it is essential to have a visible and accessible booking engine at each stage of navigation. With more than **150 connections a day**, Internet users should have the option of consulting the web from a wide variety of devices. Therefore, it is necessary to think about mobile devices and opt for an adaptable design.

4.- Direct. The figures do not lie. It is necessary to continuously analyze the **performance of the web** to adapt the strategy. It is essential to rely on a network of partners and take advantage of their experience.
The aim of this agreement is to **encourage hotels to value their own channel** and be able to take full advantage of it, increasing their sales and income and thus their competitiveness.

Improve your bookings with StarMR

5 signs that your hotel needs a price intelligence tool
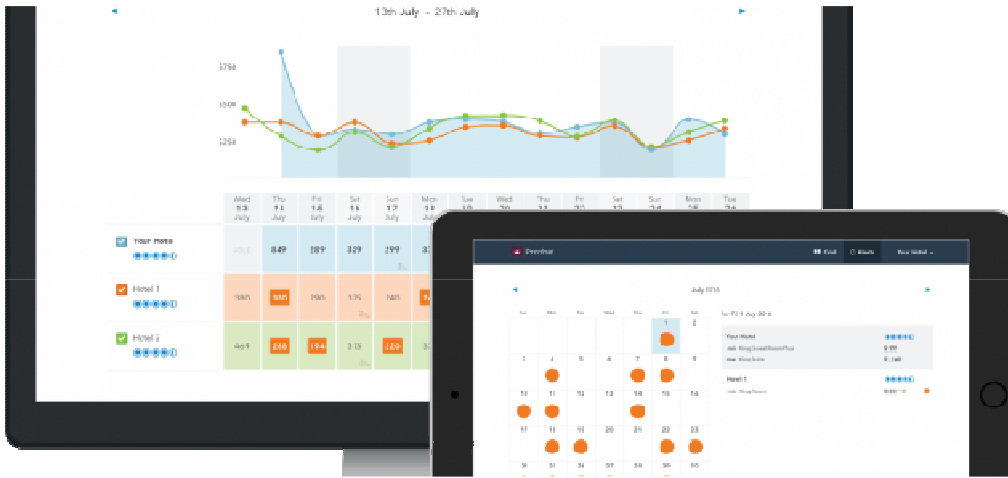
This year, Siteminder has once again held successful seminars in Spain and the good reception of attendees has led me to reflect on the importance of training and learning in the new and ever-changing hotel sector.

One of the attendees was Raúl García, marketing manager of the Granada Tourist Board, who stressed that our seminars are important as they help to keep hoteliers in the province up to date with the latest technology and travel trends, and also highlighted how this initiative from Siteminder is a great support for the development of the tourism sector in the area.

Improve your bookings with StarMR

This is a sentiment shared by Guillermo Pérez, a professional who has worked for 15 years as a hotel manager in some of the most prestigious chains in Spain. This year Guillermo presented the Revenue Management course at the University of Salamanca, in which we at Siteminder are very proud to participate, to train active hoteliers in the complex world of online distribution.

Guillermo Pérez, like ourselves, has seen the hotel distribution landscape evolve over the years and considers that, although the adoption of technology has grown, there is still a gap in terms of the knowledge and skills needed to be an optimum revenue manager.

«Technology has been changing the way hoteliers market their rooms and these changes are happening faster every day. I have seen how large companies and small hotels have increasingly used technology to improve their prices and make more adjustments to them».

«Despite this, our students are barely aware of what *revenue management* is».

«Right now, they need two things: tools and training. And there's a big difference wherever you go».

Improve your bookings with StarMR
5 signs that your hotel needs a price intelligence tool

Pricing intelligence: simplifying the complex
This year Siteminder has launched the latest addition to its range of intelligent and simple technology: Prophet. This is a real-time market intelligence solution that takes the guesswork out of room pricing.

Why this tool? Because we know that revenue management is key to running a profitable hotel, but also that it is not easy.

That is why I thought it would be interesting to share the five most mentioned factors by hoteliers who struggle to overcome the basic concepts of revenue management in recent years.

If you hear yourself saying any of these things, consider using technologies like Siteminder's Prophet.

1. «I don't have a budget for revenue management technology»

Maintaining competitiveness and profitability does not have to be a huge cost.

Prophet is an affordable market intelligence product that scales to meet your hotel's needs and delivers demonstrable return on investment (ROI) as you jump from plan to plan. You can even choose to use the free version every time and take advantage of the platform.

Improve your bookings with StarMR

2. «I don't have time to monitor third-party sites and verify their reliability»

Manual management of average income is a time-consuming activity and is not always accurate.

Prophet gives you a platform to monitor the largest number of competitors over the course of a year, in real time. Information is updated daily or available on request through the system, and rules can be set to ensure that you are always informed about the latest changes in market demand.

3. «I don't have access to the right amount of reports on my property»

Generating a report of the manually collected data to compare with your competitors is quite difficult. By the time you have managed to create the report, the data may already be outdated.

Prophet generates an instant report of your rates across multiple channels and in relation to your competitors in real time, with information from any date to today and in the future.
One of the first users of Prophet is Quest Southbank in Melbourne, Australia, which states: Reading data quickly and easily is vital, and Prophet from Siteminder offers us just that. It's definitely an easier and faster analysis.

5. «I have many goals to meet and I need help to achieve them»

Among many other things, it has an ADR, *RevPAR* and occupancy target for the quarter that it needs to meet.

The intelligence provided by Prophet will help you achieve your revenue goals with ease.
Increase your ADR by responding to fluctuations in market demand and improve occupancy by increasing your product offering. Forecast your rates up to 365 days in advance and be notified if your prices fall below or exceed those of your competitors or marketing channels.

Improve your bookings with StarMR

There are an incredible amount of marketing messages that the digital consumer is exposed to every day, and it is normal that for hoteliers it is sometimes difficult to stand out from the crowd.

Communication is what makes your guests decide to come to your hotel and **your website plays a key role in deciding to book** directly with you. Your control only increases.

A recent e-book by SiteMinder, called "Your Direct Booking Strategy: Are these 6 Types of Travelers Your Future Hotel Guests" examines the six types of socio-demographic profiles that hoteliers should identify and focus on attracting to their websites. Get the e-book here.

Here are the tactics for attracting more direct bookings:

1. **Use the information to identify your key markets**

•Urbanites on short notice: Pay attention to when your customers book, and what device they use.

•Social media addicts: Look at booking channels and promotional codes.

•The never-sleepy: Study when your customers check in and what booking channel they use.

•The invigorated *baby boomers*: Study the period of stay and the booking channel.

•Singles: Pay attention to the number of people per reservation and the cost of each one.

•The lone travellers: Examine the number of people per booking and the number of page views.

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2.   Make sure your reservations can be made through mobile devices.

According to a report by Tnooz, mobile devices are used almost as much as desktop computers in the booking process, and smartphones account for 35% of mobile bookings.

3.   It provides a simple and 'user-friendly' booking experience.

A SaleCycle study revealed that 13% of the time, customers abandon their reservations because the process is too time consuming or too complicated.
With your website and booking engine, you must make sure you offer your visitors:

• **A simple booking process**
• **Easy integration with your booking engine**
• **A quick and easy purchase process that includes the option of multiple exchange rates and languages.**

According to data provided by Google, 52% of customers will visit your hotel website after viewing the website of an online travel agency (**OTAs**). These figures highlight the importance of having a website that is clear, simple and easy for customers to book directly with you and therefore get commission-free bookings.

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From time to time it is necessary to stop and look around us. A large majority of us who work in this sector are going a bit fast, even faster than our clients. This can lead us to error and lose some of the contact with reality. Something that we must recover from our own reflections or by reading some article that may give you some recommendation, that without realizing you left along the way.

It may be that I am getting older, but I have the feeling that we are more and more prepared to adapt to changes. The learning processes of new tools are reduced and the client gets to the advances sooner, even to be able to synchronize in their earlier phases of release. This is more evident in more dynamic industries such as video games, where the customer becomes a "junkie" to the innovations in the market. In tourism, things are slower, but there are segments such as the *millennials*, which adapt more quickly to changes and on which we have to adapt our technology and our actions.

We will see what some of the ways in which the market will move may be. Nothing is one hundred percent certain in the marketing world, but we can see how it is commonly said "where the shots are going":

1. Data and relationship-based marketing. Marketing within a natural relational activity between the brand and the customer makes more sense than advertising to market in a more forced and intrusive way.

2. The quality of the product above the brand. Even if success in the support or in the brand is not the flower of a day, quality will be the determining factor of success. If we look closely at everything that is generated on the Internet around a product/service, it is nothing more than a representation of the quality transmitted to the user and received online.

3. The mobile phone will be the centre of marketing. While communication between brands and users is done from smaller and more personal screens, there will be a greater complicity that will be transformed more and more into pure marketing. It is a matter of time before we get used to carrying out all kinds of transactions from our mobile phones.

4. Good content will continue to be relevant. The development of good content, especially image and audiovisual content, will continue to be an advantage for brands that know how to play this card. The speed of development will also be a factor to be taken into account.

Improve your bookings with StarMR
A reflection

5. The social universe is an integral part of marketing in general. All marketing actions of the vast majority of brands will have their impact on social channels. A universe that threatens to have its own entity within the complex web of possibilities of the Internet.

6. The user as a generator of complementary content. The model of co-creation between brands and consumers will become a popular trend that will exceed the impact of the content generated by the brand.

7. More precise metrics that help us interpret reality. It is important to look at metrics that go beyond the vanity of prescribers or brands. Interpreting the client and analyzing in depth the results of our campaigns, as well as the purchase process.

8. Mature the concept of millenials. The evolution of the millenials customer will no longer be related to a concept of youth, but to a more mature customer who will need products and service in relation to their characteristics.

9. Consolidating the loyalty of the brand's defenders. The work done in terms of quality and care of the community will continue to consolidate more loyal customers and evangelists of the brand. The work of loyalty and product segmentation will not fall into a "broken bag", this being one of the bases of the success of many brands.

10. Transparency towards the client will continue to be a priority. Brands that are opaque to the customer are, like governments, destined to conflict and failure. Performing a common sense exercise that makes the systems that are generated around the brands more permeable to the customer, will make us demand more and the results are more in line with the market.

After analyzing which are the movements that condition the market both at user and brand level, we can only be part of the process of constant improvement and be very attentive to those that will give us a short term future. Surely technologies such as new payment systems, wearable devices or phenomena such as big data well focused, have much to say.