



INSTITUTE OF HOSPITALITY AND ZONAL TECH TALK ROUNDTABLE

How hoteliers can encourage
customers to book direct

IN COLLABORATION WITH

Zonal

HOW HOTELIERS CAN ENCOURAGE CUSTOMERS TO BOOK DIRECT

The digitisation of holiday bookings, coupled with the demise of the high street travel agent, has paved the way for a vast array of Online Travel Agents (OTAs), providing guests from all over the world with the ultimate search and comparison platform for all their travel needs. With a significant focus and investment in user experience and promotion, OTAs have quickly become the starting point for a hotel booking experience.

According to Zonal research in partnership with CGA by NIQ, more than a third of consumers (37%) now use these platforms to find rooms and it's no wonder they are popular – for consumers they are easy to use and efficient. As a result, OTAs offer hoteliers access to new customers and brand exposure that drives a significant amount of business. An increasing use in OTAs has resulted in a shift in the ownership of customer relationships, however - something that hotels have been fighting to regain ever since.

With 81% of consumers saying that they were planning on holidaying in the UK this year, there is significant potential for hoteliers to grow profits and improve the guest experience by driving direct bookings and, moreover, help to grow and futureproof their business for the long term.

“They [OTAs] often do things better than we do; the website is more intuitive, and they have an excellent loyalty programme.”

Alex von Ulmenstein MIH, Hotel Manager, The Kensington



FIND THE RIGHT BALANCE

OTAs' great strength is providing hotels with unrivalled brand awareness and reach, albeit with a hefty charge of up to 25% commission per booking delivered. They allow mid-scale brands to compete with big chains by using positive guest reviews and promoted listings to ensure they appear on the first page of search results, and can be used effectively by new openings to attract business in their early days. However, with a shared guest journey between the OTA and hotel, plus high commissions eating into RevPAR, the trick is finding the right balance.

Indeed, it's no secret that OTA's offer a convenience factor and an ability for travellers to incorporate flights, accommodation or car rentals into one user journey, which is difficult for hoteliers to overcome. Yet, for savvy hoteliers, converting guests sourced through OTAs to direct bookers in the future is the key. To achieve this, hotels must ensure their websites are intuitive, their loyalty schemes are rewarding, rates are preferential, and that they are able to offer added extras not accessible when booking via an OTA. For example, hoteliers that offer rate discount to customers that book direct, are more likely to capture these guests for the long term and encourage them to book direct next time.

ENGAGE STAFF

Whilst improving elements of your booking journey and loyalty programmes are key to driving direct bookings, it is also essential to engage staff and bring them on board with this strategy, so they understand the need to encourage customers to book direct.

One solution hotels could benefit from, is training team members to encourage guests to opt into their own marketing ecosystem. A guest who has booked via an OTA should be offered added value to book directly next time and front desk teams should also be incentivised to target these OTA bookers, at the right moment. This may not work every time, but to capture even 20% of those booking elsewhere, the effort will be well worthwhile.

“When we took them by the hand and led them through the process, they would give their personal contact details and book direct”

Robert Richardson FIH MI, CEO of the IoH and former hotelier

USE INCENTIVES TO GATHER DATA

Driving direct bookings has many more business benefits than avoiding commission fees. When guests book direct, you're able to collect and hold valuable data that can be used to drive repeat visits through more effective marketing campaigns, converting one-time visitors into long-term loyal guests and ultimately boosting the bottom line.

The most effective way to collect customer information such as email addresses and other personal details is to offer an incentive, so that they feel they are getting something in return. As Dan Brookman, CEO of hospitality CRM and gifting platforms Airship and Toggle said: “We encourage our customers to wrap data collection into the value exchange. We make it crystal clear they should communicate what the guest will get once they exchange their data, and that lays out the customer journey. Rather than just subscribing to an email, they are buying into something.”

“We always say to hoteliers that we work with, don't just assume that those customers will return. Give them a compelling reason to do so - directly. When talking with parents for example, get them thinking about how they only get around eighteen summers with their children, and how hotels can provide a great family stay. Explain how they'll be looked after and what they can expect when staying with you. Make it clear what a great time their children will have.”

Stewart Moss, MD of High Level Software, part of the Zonal family.

THE POWER OF REVIEWS

While personal recommendations remain vital when choosing a hotel to book – and a third of consumers surveyed for our research report told us they used recommendations from family and friends to find a place to stay – online reviews are crucial too. In fact, according to the same research, 98% of consumers say reviews influence their choice of hotel, while 87% of guests that have visited a hotel in the last six months say that they are likely to look at a hotel's reviews prior to booking.

Receiving feedback from guests via platforms such as TrustYou and ReviewPro can provide a valuable view of every element of the business. However, the higher a property is rated on sites such as Trip Advisor or Booking.com, the higher it will appear in a search. Identified as the most popular booking platform by Zonal's research, with 58% of consumers using this site to book a UK hotel, Booking.com is good at chasing guests for feedback and its API feeds into TrustYou, allowing hoteliers to pick out certain words and score people by common themes. In addition, they can see Booking.com scores next to TripAdvisor, Google, etc. and an algorithm gives an overall star rating and, while TripAdvisor has arguably been undermined by running reviews that are not definitively legitimate, to review on Booking.com people have to put in their booking code to ensure authenticity.

For guests that have booked direct, sending an email following a visit offering an incentive to leave a review or prompt them to post on Google is an effective tool to use. This also allows hoteliers to contact those guests who were not happy and encourage them back into the property for a better experience.



CAPITALISE ON SPECIAL OCCASIONS

Birthdays, anniversaries and other occasions can prove rich pickings for hotels. However, to help drive customer loyalty, it's important that hotels ensure offers are relevant to the individual. For example, if someone has stayed 15 nights or reached 25 stays, hotels might want to consider putting something in their room such as their favourite flowers or chocolates, to mark the occasion.

A good PMS should alert hoteliers to significant dates and / or to any problems during a guest's previous stay. Booking.com also does this but marrying up that data with the PMS to ensure an up-to-date profile is a labour-intensive exercise if it cannot be done automatically. Purpose of stay is essential information to make a communication campaign successful.

"Data capture is the future for obtaining direct bookings, it is an extension of hospitality,"

Stewart Moss, MD of High Level Software, part of the Zonal family

Of the 50 million emails Airship sends every month, 5 million are automated.

"Marketeers need to educate hoteliers about what that looks like because many of us see mass emailing as a negative thing, full of irrelevant, generic information. But, if emails that target the guest can be done on a mass scale, we take away the workload and it still feels personalised.

Our technology integrates with many systems but it always comes back to data and those great people working on the floor alongside the automation to get the data right."

Dan Brookman, CEO of Airship

With Zonal research into the consumer appetite for personalised experiences revealing that over a quarter of guests (29%) are interested in hospitality loyalty schemes that offer personalised rewards, hoteliers need to assess if their own programmes deliver on this – and if not, use the data they accrue from direct bookings to meet this demand. As well as in-house loyalty schemes, hotels should also consider joining programmes such as Barclaycard, Mastercard or Avios points to motivate spend. For example, The Kensington Hotel recently ran a programme with American Express extending rewards for a level of spend and had a take-up of 185 guests.

LEVERAGE THE POWER OF SOCIAL MEDIA

The Zonal GO Technology hotel research shows that, with younger adults more frequent users of hotels than older ones – more than a third of 18- to 34-year-olds have visited at least monthly in the last six months. Furthermore, previous research into booking habits shows that, when it comes to bars and restaurants, booking via social media is becoming more and more popular. In fact, a third of consumers use social media to book tables, rising to more than half (53%) of 18 to 24-year-olds. With this in mind, it's clear to see social media is becoming an ever more influential element of the marketing mix.

Looking more closely at the platforms themselves, Zonal's research shows that Facebook remains the number one platform for researching and booking hotels (44%), followed closely by Instagram (38%). Therefore, it's vital that hoteliers are operating on these platforms, but also thinking about other up and coming platforms they can expand into, such as TikTok to ensure they are capturing and engaging with new audiences. With more and more consumers using the platforms to research and wanting to capture their dining out experiences for social media, individual pages for your F&B offering are also key, in helping to entice consumers to book.



EXPLORE FUTURE TECH

Artificial intelligence (AI) has exploded into the headlines over the past six months, and the potential impact is yet to be fully understood. One thing is for certain - with the ongoing emergence of AI, OTAs will continue to evolve their booking proposition, further enhancing the user journey. Be warned, though, removing personal services is not always well received. For example, when Leonardo Royal Hotel, Tower Bridge tried a digital concierge at some places in the property, there was negative feedback because it removed an element of engagement. Typically, in London, people would like to walk in, see a concierge, and have a conversation, especially certain market segments," explained general manager, Jakob Gowin MIH.

But with the chronic shortage of staff, it pays to digitise processes behind the scenes because it saves time for front of house teams. And, if we are heading for a digital society, it will not be specific to hotels or hospitality, it will be how people think. ted in to provide a comprehensive suite of data," Stewart Moss, MD of High Level Software, part of the Zonal family.



INTEGRATING YOUR SYSTEMS

While third-party booking sites and OTAs are likely to remain a valuable part of the marketing mix for the foreseeable future, there are clearly several ways for operators to encourage more customers to book direct – and having the integrated tech in place is vital to achieving this.

Whilst some mid-large sized hotels have a booking system in place, which talks to other tech within the business, perhaps unsurprisingly for many small and independent hotels this isn't the case. Florence Alloing, Group General Manager, Georgian House Hotel, says it best: "A good booking system is vital. However, currently our systems aren't speaking to each other and it's rare all the pieces of the puzzle come together." And OTA's can also prove a headache for many hoteliers when it comes to integration with the rest of their systems. For example, Booking.com's PMS doesn't necessarily talk to revenue and general management tools, and that can lead to the frustrating, slow and potentially inaccurate manual transfer of data.

By implementing fully integrated technology operations can be both streamlined and done automatically which alleviates pressure on staff, allowing them to have the time to deliver exceptional experiences to customers. From reducing mistakes made by human error to ensuring staff are not offering customers drinks that are not available, tech can do a lot of the heavy lifting to remove any potential sticking points in the customer journey. And with everything joined up, hoteliers can thoroughly understand their customers and communicate with them individually and personally.

"One of the great advantages of Zonal is that it integrates with EPoS and everything else around it; it is something we have heavily invested in to provide a comprehensive suite of data"

Stewart Moss, MD of High Level Software, part of the Zonal family.

IN SUMMARY

While third-party booking sites and OTAs are likely to remain a valuable part of the marketing mix for the foreseeable future, with the right technology, hotels have a huge opportunity to drive more direct bookings, enable operators to collect rich data that can be used to drive repeat bookings, convert one-off visitors to long-term loyal customers and deliver brilliant guest experiences, right from the very beginning of the guest journey.

WITH THANKS TO:

Florence Alloing MIH, General Manager Georgian House

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Robert Richardson FIH MI CEO the Institute of Hospitality

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