



Bookassist®

**Get Ready For Business -**  
**the time to act is NOW**

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CEO & Founder

# #1 Why does Direct matter?

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Déjà vu all over again



Across all our markets in Europe and North America, our feedback is that the pandemic has threatened the viability of many hotels

Online Travel Agents (OTAs) also using new tactics to capture your profit

Desperation now may drive hoteliers to over-reliance on OTAs

- Late '90s - hoteliers lacked online expertise - OTAs to the rescue
- Post 2007 crash - hoteliers reacted to large travel drop - OTAs to the rescue

**We've been here before, let's not make the same mistakes again.**

**JTBC: OTAs have a critical role to play, but they should not dominate your business**

# Why does Direct matter?

## Issues with OTA dependence

#1

**Profit erosion** - very real and immediate **short-term** consequence of over-dependence on OTAs. Hotels find themselves in a tight corner:

- Capital is likely depleted due to the pandemic
- Hotels may be more leveraged than ever before with cashflow loans, deferred supplier payments and extended mortgages
- Day to day costs have increased due to necessary cleaning regimes and space restrictions
- Cash is needed for payroll to begin bringing staff back

Hotels need to retain their profits now and not just fund the OTAs' recovery by giving them hard-won and much-needed cash.



# Why does Direct matter?

## Issues with OTA dependence



#2

**Brand erosion, loss of customer ownership** - very real **long-term** threats:

- OTAs are adept at customer retention (strong loyalty programs, email marketing and incentives)
- OTAs have pushed more and more customers to apps to get them out of search, and hotels helped this by offering specials to OTAs that are effectively app-only
- Once a customer is sucked into the use of an OTA's app, Google is blind and hotels cannot advertise within the walled garden of the app

Your ability to market to OTA customers is lost unless your hotel has a clear strategy to **capture that relationship** for itself. This is critical for capturing **repeat business**.



The “Book Direct” message saw **Marriott** increase loyalty membership to 150 million and **Hilton** to 100 million with both saying that over 60% of all booked room-nights now come from loyalty members.

This is all direct, repeat business.

Compare this to independent hotels with an average repeat business rate closer to 10%-20% due to lack of CRM and poor or misguided investment in a “Book Direct” Strategy.

# Why does Direct matter?

And now more than ever?



Direct matters because for an independent hotel it is the key to **control** of your business

From Bookassist data, hotels who could leverage the customer relationship for direct marketing opportunity substantially *grew the ratio of direct to OTA* online business while staycations were dominant in summer 2020



Some of our Irish client hotels achieved over 70% of their recent summer staycation occupancy Direct through their own websites coupled with strong email marketing  
**It can work.**

**>70%**



# Why does Direct matter?

## And now more than ever?

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Hotels have an unprecedented opportunity to **reboot, reset and redefine** their relationship with their OTAs.

Today, hotels...

- are far more digitised than they were when OTAs took over the distribution landscape
- have a huge range of technology suppliers to choose from
- are also far more digitally skilled than they were in the past
- have also had the benefit of the voice of the big brands pushing awareness about Direct Is Best
- are in a stronger legal position - the forced reversal of unfair contract practices by OTAs have significantly levelled the playing field.

this can be a good thing

**Hotels are at ground-zero**

**Now is the time to reboot  
online strategies and get back  
in control of distribution**

**IMHO: Hotels will never get a better chance than the industry reset that we are living through right now.**

## **#2 So why is Direct failing?**

# Why is Direct failing?

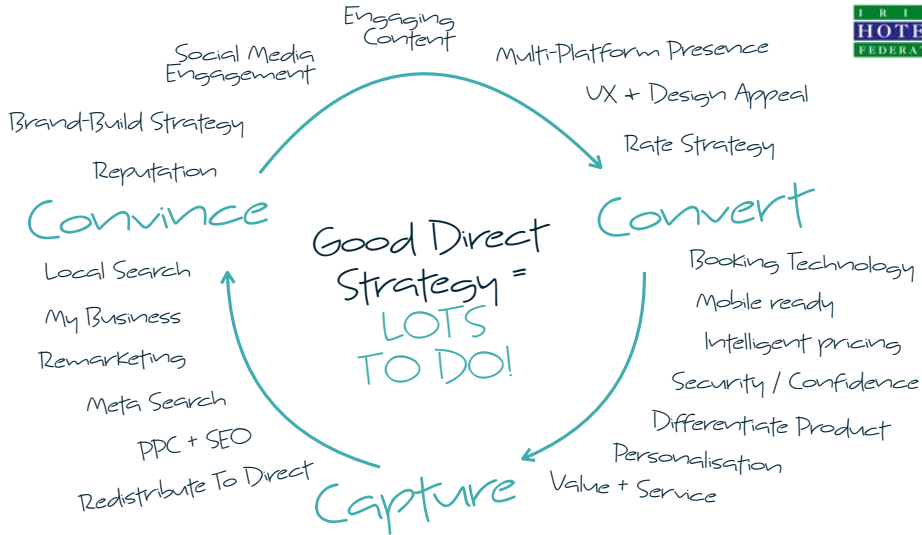


Clear signs of failure in the latest distribution statistics:

- Market share of **OTAs in Europe** at 29.9% in 2019 versus just 8.8% in 2019 for Online Direct via hotel booking engines
- Most hoteliers (56%) report feeling **pressured by OTAs** to accept platforms terms and conditions they would not usually offer
- The **OTA commission rate increased** for many (27%) hoteliers (while we see the costs for Direct services decreasing)
- Almost 60% of **hotels had disagreements** with OTAs but only a quarter of these found a fair and effective solution

**None of this is surprising.**

**Direct is difficult!**





## Hotels remain fragmented and lack unity of approach

↙  
OTAs love this!  
Divide and conquer

# Why is Direct failing?

The industry gets the **WHY** of Direct  
The problem is the **HOW** of Direct

- Many hotels are woefully unoptimised in their approach to Direct
- They achieve poor cost per acquisition (CPA) for Direct bookings
- They then assume Direct doesn't work and this drives them further towards OTAs

**If hotels *could* optimise their online efforts, they have the opportunity to drive down CPA for Direct, since many of the associated costs are within their control**



Conversely, if you increase your bookings via an OTA, your CPA won't change at all so there is no optimisation route with OTAs other than contract negotiation.

# Why is Direct failing?



## **We get it - Optimisation takes time, money, work and expertise**

Marketing has become much more complex and multi-faceted  
Razor-sharp digital skills are needed to succeed here

Branded hotels and hotel groups may have resources and in-house skills to develop  
and execute a strong direct booking strategy

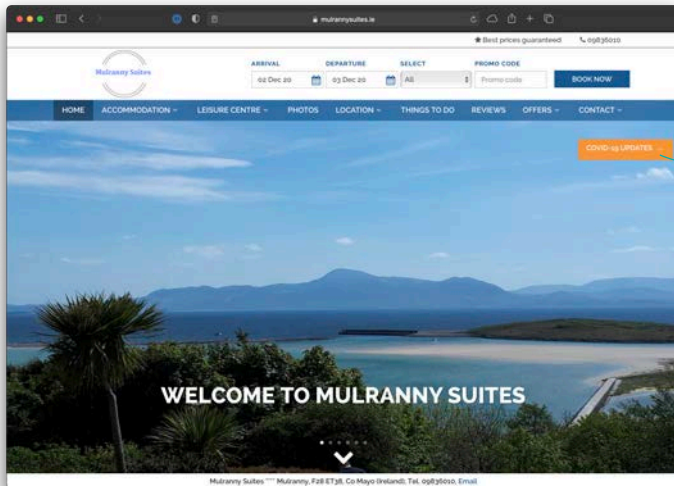
Independent hotels really need expert partners to compete and to keep up with fast-  
changing technologies and trends

**Hotels need much more help with the HOW.**

# **#3 What can you do now to change the story?**

# Work your website

## Things you can do now

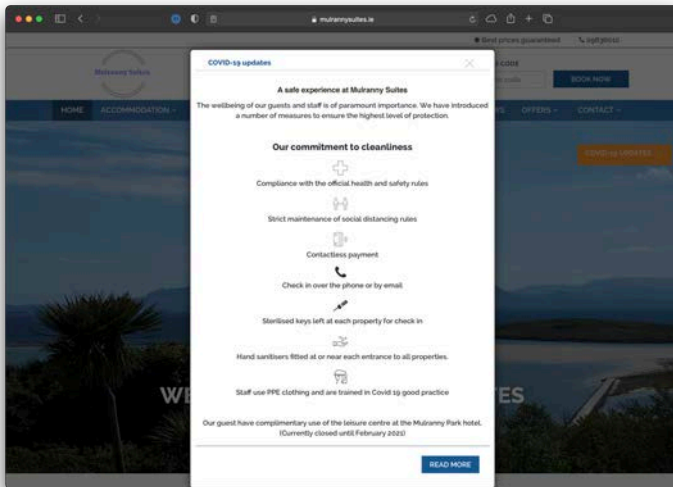


COVID-19 UPDATES +

- Risk mitigation
- Give confidence
- Give regular updates
- Play to community and the personal (which OTAs cannot)

# Work your website

## Things you can do now



- Risk mitigation
- Give confidence
- Give regular updates
- Play to community and the personal (which OTAs cannot)

# Work your website

## Things you can do now



**You must show guests WHY direct is best**, not why your hotel is best

- Direct is best for *hotels*, but what does the *customer* know?
- You must demonstrate at all opportunities why booking on your website is best for them, and you must message that clearly on your website
- So ask yourself, is it really better for them? If you cannot answer that and cannot give real reasons, then you cannot expect people to book on your website
- Demonstrating the value of Direct for *them*, and proving it to them, is the way to win repeat Direct business
- (For the record, free wifi and water in the rooms is not a Direct booking benefit - benefit is about total value, not price.)

Here are 3 great benefits you can only get by booking on this website:

- 1.
- 2.
- 3.

**JTBC: You must distinguish between “book my hotel” and “book on my hotel website”**



# Broaden your appeal

## Things you can do now

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### **Be more than a hotel - it's about community, and OTAs can't do this**

- Think local and community outreach, it's everyone's mindset now
- Can conference rooms be hot-desks and work spaces?
- Can bedrooms be day offices for local industries going remote, and have you reached out to them?
- Can you promote your safe environment to local community and residents associations groups?
- Can you push f&b more locally?
- Can you combine with other local businesses to tap into the desire of everyone to "stay local" and "shop local"? Can you promote these opportunities in voucher sales?

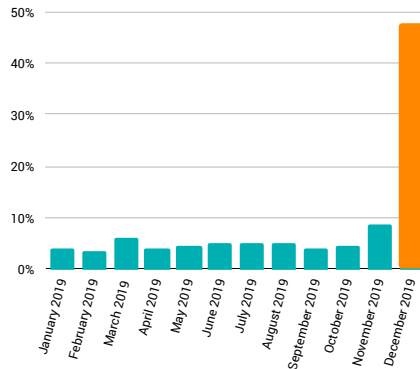
# Broaden your appeal

## Things you can do now

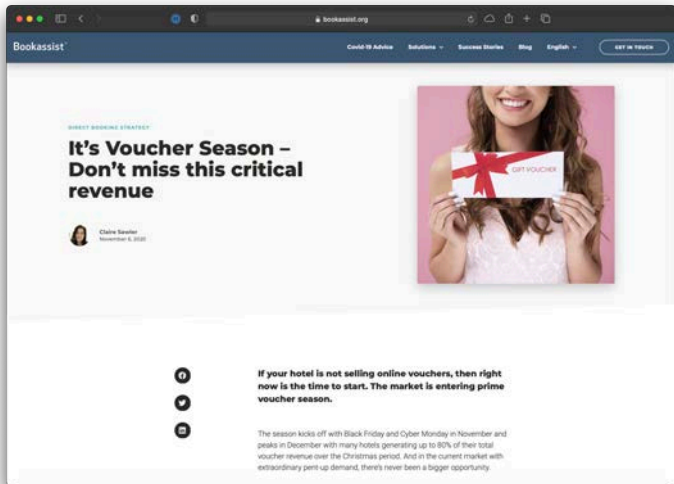
### 'tis Voucher Season!

- Promote risk reduction in voucher purchase
- People are buying **multiple** vouchers, so use a system that can handle more than just one at a time - "Get Christmas sorted in one go!"
- Have a dedicated landing page with categories for different types
- Target well, revise frequently
- Leverage YouTube and social media ads
- Team up with local businesses for a broader offer.

Voucher Sales Distribution 2019



<https://bookassist.org/blog/its-voucher-season-dont-miss-this-critical-revenue/>



# Be a community of hoteliers

## Things you can do now

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### Work more together

- Stop being so competitive!
- Widen your appeal to your email list by cross promoting with hotels in other areas e.g. *a Dublin hotel partners with a Killarney hotel and they carry each other's specials*
- Promote alternative hotels in your booking engine when full, the friendly hotels you use for overbooking anyway.

**Booking Engine showing  
Alternative Accommodation  
from sister hotels or  
“friendly” hotels**

VP | PLAZA ESPAÑA  
DESIGN \*\*\*\*\*

HOTEL COVID19 MEASURES ROOMS MEETINGS GINKGO SKY BAR OFFERS SUSTAINABLE TOURISM MORE...

All rooms FIND AVAILABILITY

REVIEWS **BOOK NOW** FLEXIBLE DATES

1 Choose > 2 Summary > 3 Checkout > 4 Payment > 5 Confirmation

English Euro (€)

Some dates are not available


SEE FLEXIBLE DATES

Arrival Departure Adults Children

3 December 2020 4 December 2020 1 0

CHECK AVAILABILITY

Alternative Accommodation  
select from the recommended alternatives below

 Hotel VP Jardin de Recoletos \*\*\*\*  
Address: c/ Gil de Santivaies, 6, Madrid  
from €99

Enter voucher/promo code here APPLY

> Standard Room (A Option)

Change your dates to book this

## Alternative Accommodation

select from the recommended alternatives below



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Address: c/ Gil de Santivañes, 6, Madrid

from: €99



Enter voucher/promo code here

APPLY

> Standard Room (A Optional)

Change your dates to book this

### Make sure all staff buy into getting guests to book direct

- Welcoming arrivals at front desk - what an opportunity versus OTAs!!
- Do you treat OTA and Direct arrivals differently?
- Explain to OTA arrivals what the book direct advantages are for next time
- ✱ ● Encourage OTA arrivals to book direct next time - not just at your hotel but at *any* hotel, because it helps the hotel community
- Capture the relationship at the desk by encouraging mail list signup with a perk for the next stay - incentivise staff on this!
- Work together as a community of hoteliers to help change the *mindset* of the customer.

# Work the free stuff

## Things you can do now



### You don't have to spend to be digital savvy

- Have social media advocates among your staff - many would want to show their skills
- Encourage your guests instagram posts with your hotel's hashtag at viewing points, at some fancy sculpture you have, in the restaurant, in the bar - and if you have nothing insta-friendly then get your young members of staff to dream up some!
- Make sure someone owns constant updating to Google My Business - its content is critical to search results and rankings
- Continually check factual accuracy on Google and Apple Maps, map searching and "local" is increasingly popular.

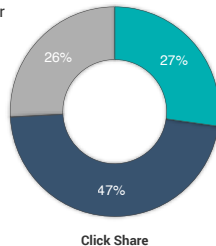
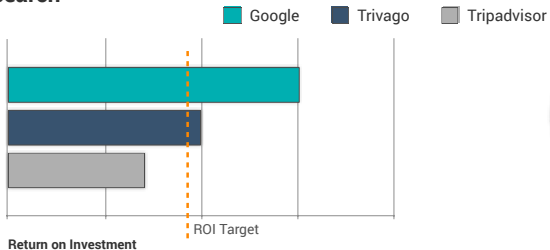




# Try the risk-free stuff

## Things you can do now

### Metasearch



Bookings are completed on your website - it's **your customer**

Volume currently remains low, but viable

Metasearch **ROI** remains positive for Google, and marginally so for Trivago

In terms of **traffic** to hotel websites, Trivago still dominates.

# Try the risk-free stuff

## Things you can do now

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### Metasearch - The Pay Per Stay (PPS) option

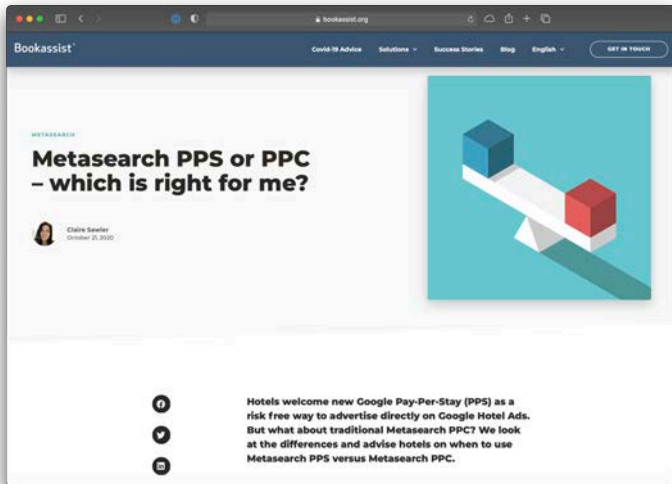
- Google Hotel Ads PPS now available from key suppliers
- Risk-free way to try metasearch
- There is no pay per click cost
- You only pay commission for *actual stays*, net of cancelations



**If you are not yet doing metasearch, then this is the risk-free way to start!**

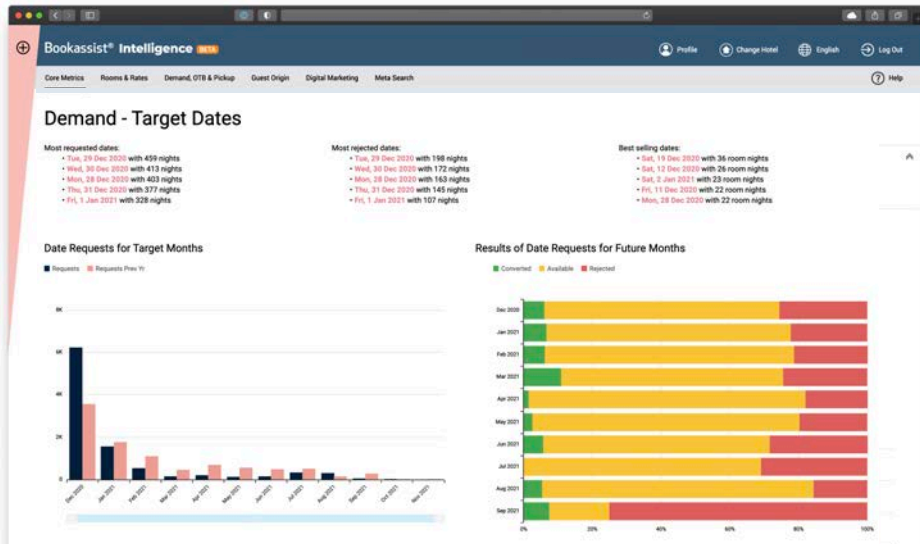
Bookassist PPS will work with most booking engines on the market.  
You don't need to be a Bookassist client to avail of it.

<https://bookassist.org/blog/metasearch-pps-or-ppc/>



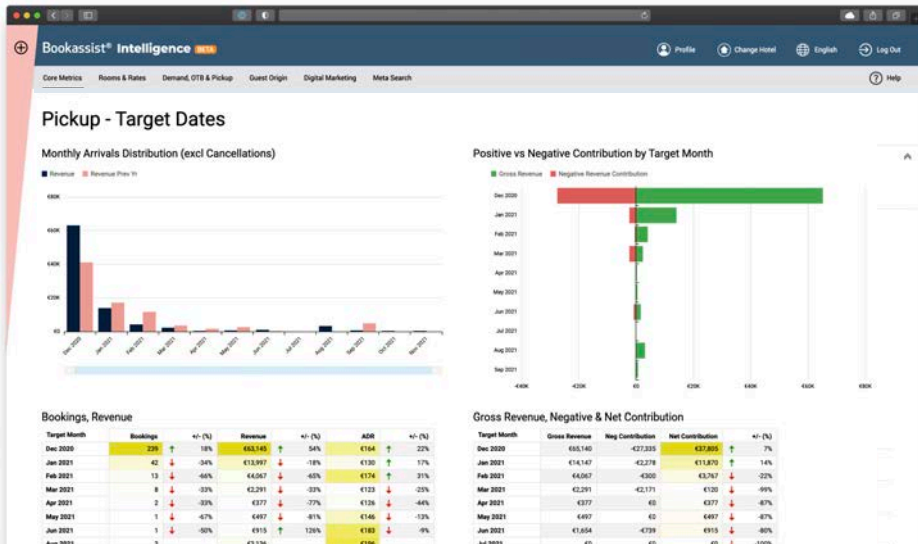
# Understand your numbers

## Things you can do now



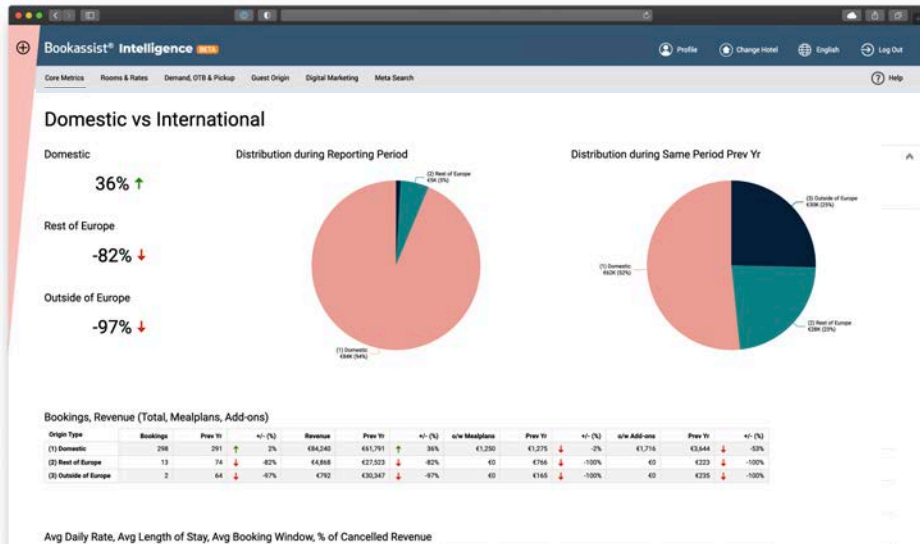
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## Things you can do now



# Understand your numbers

## Things you can do now



**Most of what's gone before is free to do!**  
**You don't always need to spend to achieve.**

**Success at Direct is incremental.  
But the sooner you start, the sooner you benefit.**



**The key to the HOW in Direct is :**  
**Set targets > Measure > Learn > Improve**



# Thank You!

**Bookassist**<sup>®</sup>  
THE DIRECT BOOKING EXPERT™

DUBLIN MADRID ROMA WIEN PRAHA TORONTO