OPTIMIZE THE
BOOKING JOURNEY

How Marketing and
Revenue Management
Work Together to
Achieve Your Hotel's
Booking Goals

TRUSTYOU

rainmaker

fuel

We're glad you've joined today's webinar:

TrustYou, Rainmaker, and Fuel Travel will uncover:

- How to improve online visibility and search rankings with review content in order to drive direct bookings
- Whether your direct marketing channel is helping or hurting you
- Marketing psychology principles that nudge guests through the booking process
- How to provide a frictionless booking experience
- The involvement revenue management should have with marketing
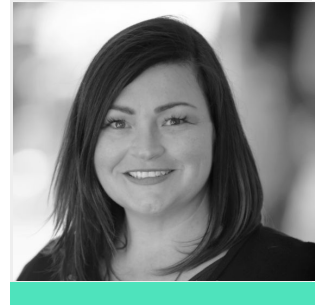- What resources revenue management can provide to help drive profitable strategies

Today's speakers:

VALERIE CASTILLO

Senior Director of Marketing
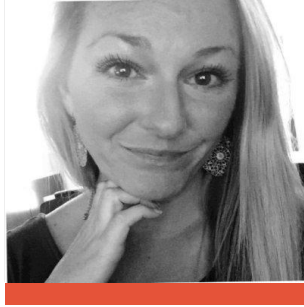
MEISHA BOCHICCHIO

Marketing Specialist
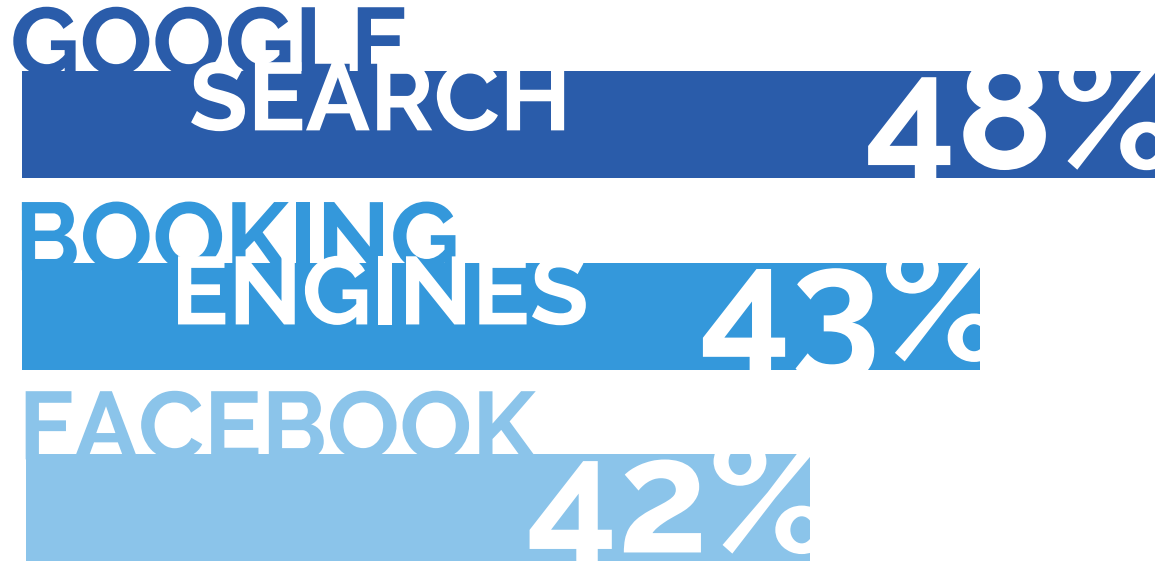
ANGIE DOBNEY

VP, Hospitality Solutions

Guest Feedback & the Guest Journey

Guests Start with Search Engines

Most travelers frequently turn to search engines when asked which online sources they use for travel inspiration

top 3 sources for travel inspiration

GOOGLE SEARCH 48%

BOOKING ENGINES 43%

FACEBOOK 42%

Google Dominates Guest Search

- **91%** of travelers turn to search engines, and
- **81%** prefer to use Google

57% search for a "hotel"

49% search for a location

31% search for both

Google

Enhance Your Google Listing

- Implement rich snippets, which may influence search ranking
- Monitor your reviews for more click-throughs
- Stay on top of Google Search & Map trends

95%

of travelers read reviews before making a booking decision

Guest Decision Factors

3 - STAR

$

1st **Nightly Rate**
2nd **Review Score**
3rd **Hotel Class**
4th **Hotel Image**
5th **Brand**

★★★★★ **33% will only see hotels**
★★★★ **with excellent review**
★★★ **scores**
★★ **88% will sort out hotels**
★ **with poor review scores**
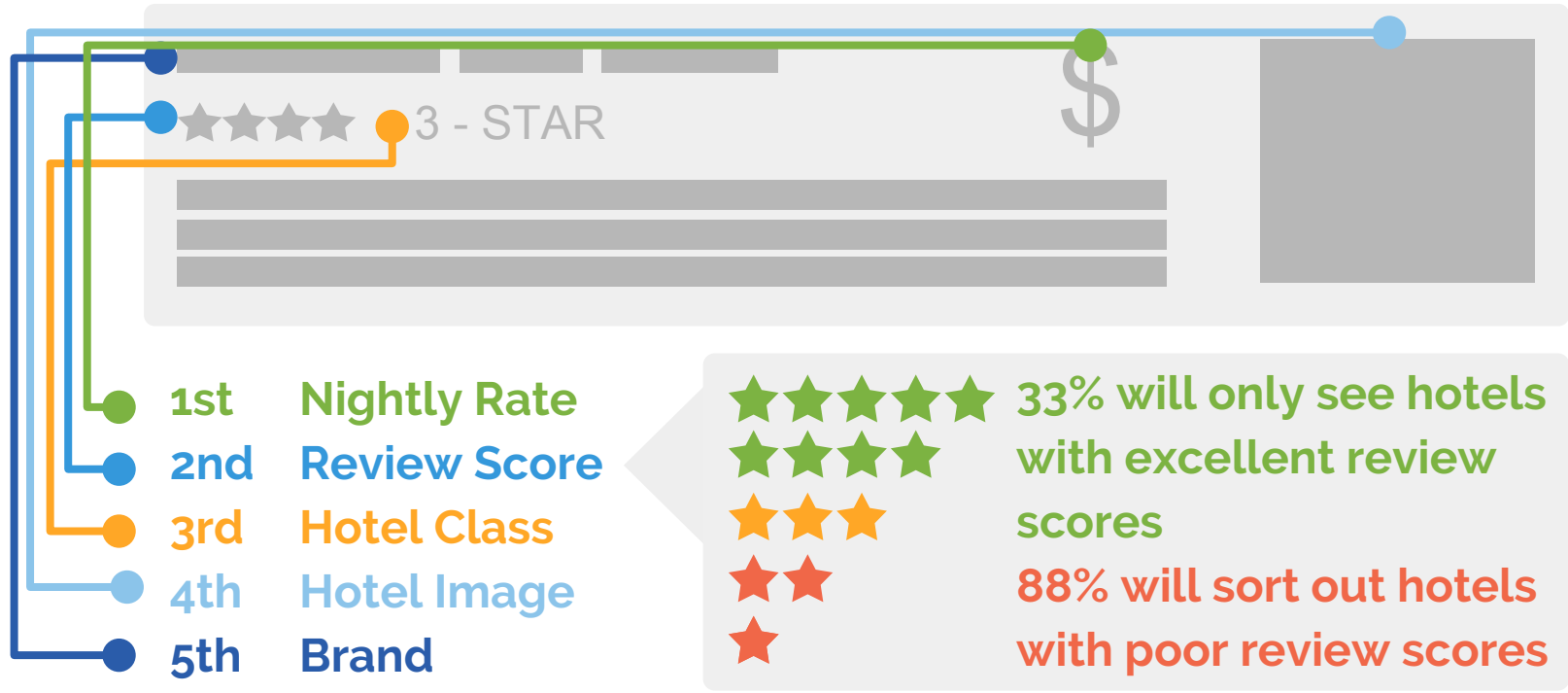
3.9X

more likely to book a hotel with higher review scores, given equal prices

Travelers Top Decision Factors:

#1 Price

#2 Location

#3 Reviews

Drive Direct Bookings with Reviews

- Integrate a review widget on your hotel website
- Build trust and encourage travelers to book direct
- Put your best foot forward with reviews collected from your own hotel survey

Understanding and Influencing **CONSUMER BEHAVIOR**

Smart marketers use basic psychology principles to attract and engage customers and **compel them to buy**.

Marketing Psychology & The Frictionless Booking Experience

Principle #1: Social Proof

"Social Proof is a psychological phenomenon where people assume the actions of others in an attempt to reflect correct behavior for a given behavior"

4.2 out of 5.0

Cleanliness 4.5
Service 4.4

88% of guests recommend this hotel

Hear from our guests about their stay from 243 confirmed guest reviews

Hotel Messaging

- People viewing page

  "7 people are currently viewing this page."

- # of rooms booked

  "25 people have booked this room this week!"

- Guest testimonials / reviews

Principle #2: Scarcity

"Humans consider a scarce object more valuable than one which is abundant. The more rare the opportunity or product, the more valuable it is."

The Roosevelt New Orleans, A Waldorf Astoria Hotel

Luxury hotel by French Quarter, near museums, galleries, and nightlife. Offering spacious guest rooms, fine dining and Waldorf Astoria Spa.

☐ Compare   🔑 DIGITAL KEY OFFERED   📍 0.22 mile | Map

Quick Look   🕐 This hotel is filling up quickly. Don't wait!

Hotel Messaging

- Limited inventory

  "Only 2 Rooms Left!"

- Limited time offer

  "12 Hours Left For Reduced Rates."

Principle #3: Urgency

"Urgent situations cause us to suspend deliberate thought and to act quickly. Creating a sense of urgency will cut through cognitive friction and reduce the amount of time people spend considering alternatives."

Hotel Messaging

- Countdown Timers

  "Rates guaranteed for 5 minutes."

- Popular Travel Dates

  "Popular travel dates - book soon!"

- Sold Out Warnings

  "These dates sold out last year!"

Principle #4: Anchoring

"Anchoring describes the common human tendency to rely too heavily (or 'anchor') on one trait or piece of information when making decisions." - in this case, price.

Original Rate	$1,251.00
Discount	37%
Subtotal	$789.00
Taxes/Fees	$229.13
Total	$1,018.13

Sat 5/12	Sun 5/13	Mon 5/14	Tue 5/15	Wed 5/16
$195.00	$165.00	$165.00	$165.00	$165.00
$129.00	$99.00	$99.00	$99.00	$99.00

Hotel Messaging

Present Rates In The Best Light

- Packages
  - Ex: Breakfast Package
- Multiple Rates
  - Strikethrough
- "Standard Rate"
  - Highest Rate

Principle #5: Assurance & Risk Mitigation

"People want to trust your brand, trust that they are making the right choice, and trust that they are getting the best deal possible."

Our best rate. Guaranteed.

SECURE SERVER

Cover your trip with Vacation Interruption Protection

○ Yes, cover my trip for $32.70

○ No thank you

Hotel Messaging

- Free Cancellation
- No Deposit Required
- Free Refunds
- Secure Booking
- Upsell Opportunity
  - Vacation Protection Plan / Travel Insurance

Marketing Psychology Is Great, BUT...

… pointless if you put up roadblocks!

Rethink your booking process to make it as *seamless* and *frictionless* as possible **across all devices**.

50%

The percentage of revenue that [some hotels] are getting via mobile.

20%

The percentage of bookings Hilton Hotels receives via their mobile app.

Tips For A Frictionless Booking Experience

Your Goals

Minimize the amount of **total clicks**.

Craft forms that are **easy to use** and **intuitive**.

Is your site *scary easy* to book with?

Simplify Your Searches

Remember search dates

Show availability calendars

Offer "flexible" search date functionality

Show available room alternatives

Foolproof Your Forms

Collect as little form data as possible

Make forms intuitive

Store personal information for repeat guests

Personal Information

SECURE SERVER

First Name

First Name

Last Name

Last Name

Address

Address

Country

United States

Postal Code

29577 ✓

City

Myrtle Beach

State

SC

Phone

Phone

Email

Email

Combining Multiple Elements For Success

The Booking.com Experience

This Is What You Are Competing Against...

8.8 Cleanliness ✓
1,369 reviews

⬥ We Price Match

Great Value Today ⚙

⏰ **Limited supply in New Orleans: 4-star hotels**
5 hotels like New Orleans Marriott are already unavailable!

Wanna go somewhere **wonderful**? Reviewers loved New Orleans!
New Orleans
Enter your dates and choose from 429 properties!

Limited supply – only 57% available on our site for your selected dates

Price
(for all guests)
~~$258.20~~ ❓ $159.60

Price includes ALL taxes and charges!

Save 60% Today! ❓

In high demand – only 5 rooms left!

Booked 32 times in the last 24 hours

👥 1 person is booking this property right now!

🏷 **Jackpot!** This is the cheapest price you've seen in New Orleans for your dates!
1 nights (Mon, Nov 27 - Tue, Nov 28)

⏰ **Limited supply in New Orleans:**

~~$310~~ ❓ **$129**
Free cancellation
No prepayment needed

Reserve now to lock in this great price.

🕐 **You just missed it! Our last room sold out today.**
Your dates are popular – we've run out of rooms at this property! Check out more below.

Key Takeaways

3 Things You Can Do Today

- Simplify Your Search Process
- Optimize Your Forms & Data Collection
- Integrate Psychology Principles Into Your Messaging

Revenue Management

Why everyone should love Revenue Management

- Impact of your success or failure of business
    - Strategy
    - Analytics
    - Consumer buying behaviors
    - Cost reduction

Optimization Objective

Fill the property with the highest value,

most profitable mix of business

What is the result?

• Optimal rates for each segment are recommended which drive the most profitable mix

• Confidence that the mix of business is the best which can be achieved

• Ability to identify areas for opportunity and/or concern well in advance

• All departments have freedom to sell rooms well in advance

• Reduce or eliminate 11th hour scrambling to fill rooms

Analytics

Forecast

- Understand the data used
- Know the movement in all segments
- Get everyone involved!
- Understand and track customer buying behaviors
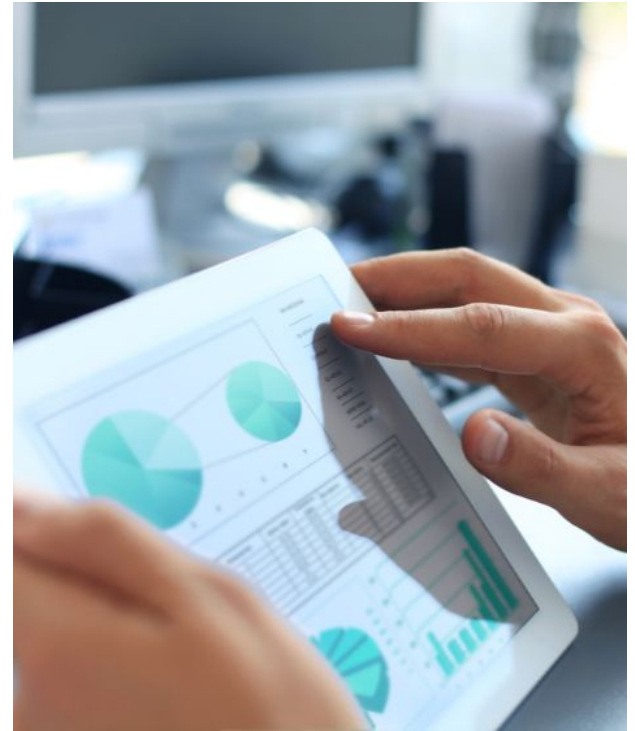
Revenue Management + Marketing

- Identify your most profitable channels and customers

- Behaviors of your customers

- How do they book?

- When do they book?

- What promotions/offers do they respond to?

- How do they spend while on property?

- How long do they stay?

- Are they repeat customers?

- Once you know this, your marketing efforts become much more strategic

Total Revenue Analysis

Hotel: SolidusIQx 1 for dates: 01/01/2015 - 10/12/2015

Business Unit: Hotel

Currency: USD

|	Revenue				Mix		Room Rev	ADR		
	Rooms	Food	Other	Total	Rooms Sold	%	Multiplier	Rooms	Ancillary	Total
Total	2,210,473	867,391	116,123	3,193,987	7,685	46.5%	0.31	287.63	127.98	415.61
Market Segment										
⊞ Group	100,300	22,853	5,697	128,849	295	1.8%	0.22	340.00	96.78	436.78
⊞ No Room Rate	(5)	523,473	(1,295)	522,173	440	2.7%	1.00	(0.01)	1,186.77	1,186.76
⊞ Transient	2,110,178	321,066	111,722	2,542,966	6,950	42.0%	0.17	303.62	62.27	365.89
Room Type										
⊞ Deluxe Room	710,606	102,947	24,329	837,883	1,902	11.5%	0.15	373.61	66.92	440.53
⊞ Posting Master	300	537,738	2,384	540,421	0	0.0%	1.00	0.00	0.00	0.00
⊞ Standard Room	1,405,488	219,855	86,292	1,711,636	5,666	34.3%	0.18	248.06	54.03	302.09
⊞ Standard Suite	94,079	6,851	3,118	104,048	117	0.7%	0.10	804.09	85.21	889.30
Channel										
⊞ External	417,180	50,169	19,240	486,589	1,328	8.0%	0.14	314.14	52.27	366.41
⊞ Internal	622,047	615,532	20,101	1,257,680	2,271	13.7%	0.51	273.91	279.89	553.80
⊞ System	1,151,333	195,628	75,704	1,422,665	4,008	24.2%	0.19	287.26	67.70	354.96
⊞ Unknown	19,912	6,063	1,078	27,053	78	0.5%	0.26	255.28	91.55	346.83
Source Market										

Understanding your profitability

Two primary items must be defined for each expense per segment:
% of expenses to segment AND distribution of said expenses within each segment

Expense	Expense Category Summary	Electronic Channel Portion	GDS%	OTA %	IHG%	Sales	Corporate	Tradeshow	Wholesale
TOTAL PAYROLL EXPENSES	Departmental Expense	15%				30%	100%		
80150 - COMMISSIONS	Z Do Not Use Commission	50%			100%	50%	60%	30%	10%
80180 - CONTRACT LABOR	Departmental Expense	30%	33%	33%	33%	50%	33%	33%	33%
80185 - COMP-ON PROPERTY	Departmental Expense	40%	12%	88%		40%		12%	88%
80210 - DUES,MEM, & SUBS	Departmental Expense	50%	100%			50%	50%	50%	

Expense	Expense Category Detail
80515 - RENT EXPENSE	Operating Expense
TOTAL PAYROLL EXPENSES	Payroll
60001X - COMPLIMENTARY ROOMS	Complimentary
70205 - BONUS-OTHER	Payroll
60010X - COMPLIMENTARY OTHER	Complimentary
80185 - COMP-ON PROPERTY	Operating Expense
60002X - COMPLIMENTARY FOOD	Complimentary
80415-500 - OUTSIDE SERV-OTHER	Operating Expense
80210 - DUES,MEM, & SUBS	Operating Expense
80570 - TRAVEL/TRANS/LODGING	Operating Expense
60003X - COMPLIMENTARY BEVERAGE	Complimentary
80569-001 - TRAVEL-UNALLOCATED EXPENSE	Operating Expense
90011-605 - SERVICE EXP-MBS	Intercompany Expenses
80150 - COMMISSIONS	Operating Expense
80390-010 - OPERATING SUPPLIES	Operating Expense
80410 - COMP-OFF PROPERTY	Operating Expense
80560-010 - TRAVEL MEALS	Operating Expense
80180 - CONTRACT LABOR	Operating Expense
80490 - PROMOTIONAL ITEMS	Operating Expense

Revenue, Expense & Profit
per occupied guest room : % of average
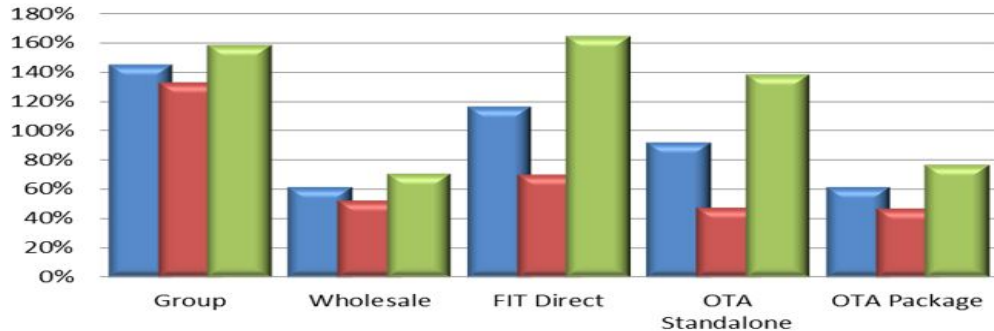
Revenue POGR   Expenses POGR   Profit POGR

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Revenue Management + Marketing

- Customer evaluation methods
- Revenue sources
- Use data to pinpoint where you need the business
- Understand cost of acquisition
- Include online marketing expenses
- Know how to optimize all online marketing channels

Revenue Management + Marketing

Operations

Get RM involved before you send offers!

- Offers become much more strategic:pricing, booking methods, pattern, etc;
- Pro-forma and post-forma analytics

Impact on operations

- Scheduling in the appropriate departments. Example: Call Center, VIP services, restaurants

Revenue Management + Marketing

- Post Stay analysis: track all data from the lifetime of a booking.
- Profit produced
- What the discount is off BAR
- Understand cost of acquisition to figure out profit
- Ancillary revenue tracked
- Keep historical data to use for budgeting

Revenue Management + Marketing

- Apply to all departments
    - Gaming
    - Restaurants
    - Spa
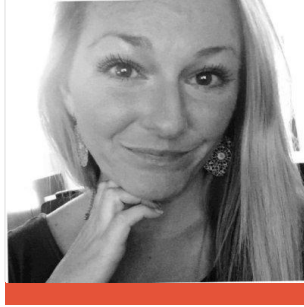   - Entertainment
    - Golf
    - Nightlife
    - Cabanas

Revenue Management + Marketing Takeaways

- Use an Enterprise Marketing approach
- Understand your data and what is important to you
- Drive business into the profitable segments and over time periods where you need the business
- The stronger your database is the less you will need to depend on more expensive channels of business!
- Have a plan established so you are ready when the market changes
- Collect as much data as you can thru all touchpoints
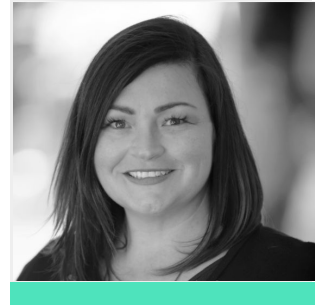- Track profitability on all promotions
- Pro and Post-forma

Questions?

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VP, Hospitality Solutions

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