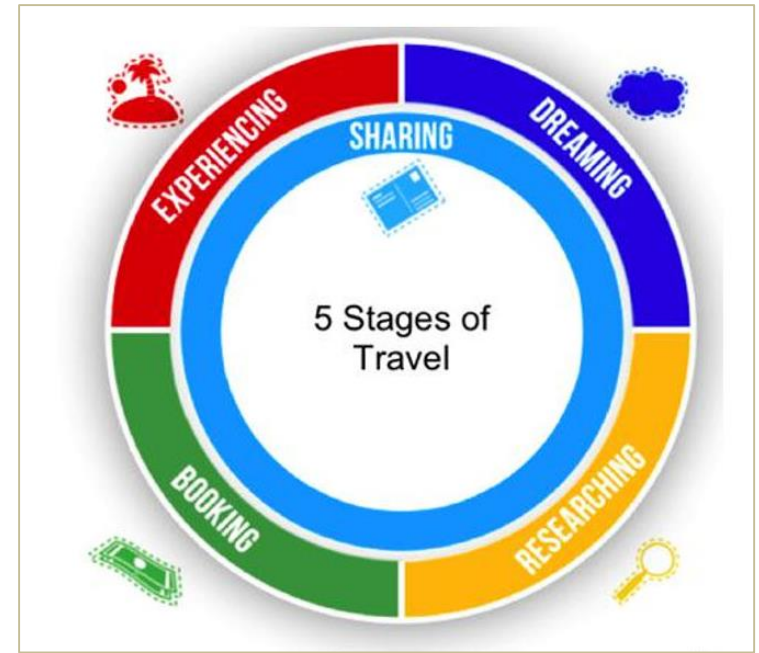# CONFIDENTIAL
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UNDERSTANDING YOUR GUESTS PATH TO BOOKING

Understanding Yours Guests Path to Bookings
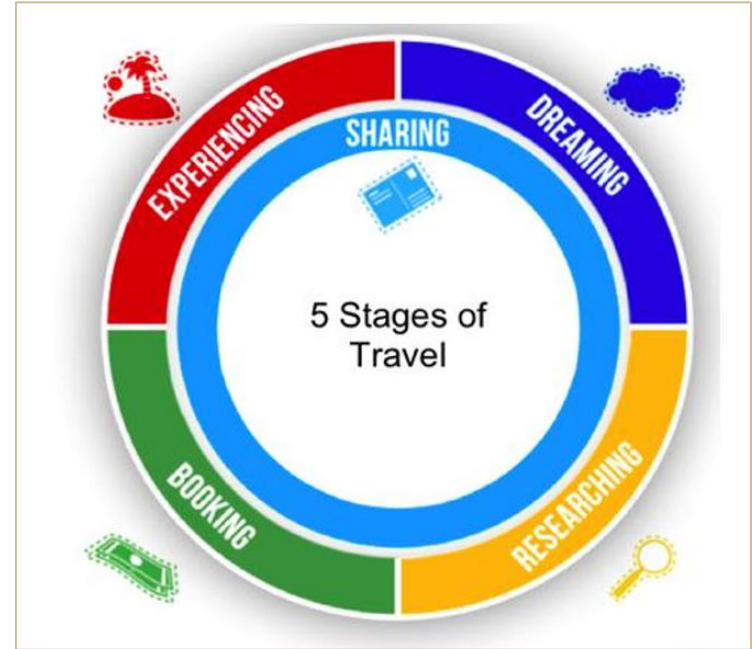
Think like a customer!

You need to know where consumers are shopping and where they are booking accommodation. Only then will you know how much money and effort to put into distributing your rooms to those channels.

GDSs & Intermediaries
Pegasus Solutions · Galileo by Travelport
Sabre Travel Network
amadeus
Worldspan

3rd Party Travel Sites
Expedia.com · travelocity · BookIt.com
priceline.com · redtag.ca · Hotels-X.net · ebookers.com · wego travel search
Epic Trip · ORBITZ · Cheapseats.com · lastminute.com · hotel.de simply book for less
hotels.com · ReserveTravel.com · eLong.com · zuji · cleartrip · AARP.org
away.com · Select Your Hotel.com · Tripz.com · SheapTickets · WYNDHAM · hotelsonsale.co.uk · TripMojo.com
HOLIDAYCITY · escapes.ca · roamfree.com · Hotelexpress.com · Canadian Hotel Guide
Perfect Escapes · HotelSelloffs.com

Corporate Travel
Expedia Corporate Travel · Worldspan
BCD travel
GetThere · Travelport
Concur · Corporate Travel

Destination Sites
bahamas · JAMAICA
Port Aransas · honolulu.com · Corpus Christi.com
HOTELS BY CITY
VEGASHOTELS.COM
USAHOTELGUIDE.COM

Tour Operators & Travel Agents
APPLE VACATIONS · Travel Impressions · Continental Airlines Vacations
Classic Vacations · KUONI
AA.com American Airlines · Pleasant Holidays · Carlson Wagonlit Travel
11th Hour Vacations · DELTA VACATIONS
Hotwire · Dream Vacations · The Big Day
US AIRWAYS VACATIONS · SIGNATURE TRAVEL NETWORK

Search & Meta-Search Engines
Google Maps · WORLDRES.com
YAHOO!
KAYAK · SideStep
Vibe Agent · ONETIME

Meeting Planner & Group Travel
Groople · hotelbook.com
starCITE · event
FEDROOMS · PCMA · SiteVisit
GroupAbout · Hotel Planner
Businessmeetings.com · MeetingMatrix

Video Sites
You Tube
Google
Y! VIDEO
AOL video
metacafe
travelistic
Tripfilms

Booking Technology Parners
REARDEN commerce · Passport Online · ALLIANCE · ROUNDTRIP
Forbes TRAVELER · REZCONNECT · BONNIER CORPORATION
CERTIFIED VACATIONS GROUP, INC. · nuTravel · EzReservation.net · trx
SiteVisit · TRAVEL SCIENCES · WorldChoiceTravel
OneTravel · PORTAL · FOX WORLD TRAVEL

Portal & Travel Research Sites
tripadvisor · NORTHSTAR TRAVEL MEDIA
YAHOO! · TripWiser
Mobil Travel Guide · BEST
AOL travel · wcities
TravelDailyNews · WorldWeb.com+
travelwizard.com · travel plus

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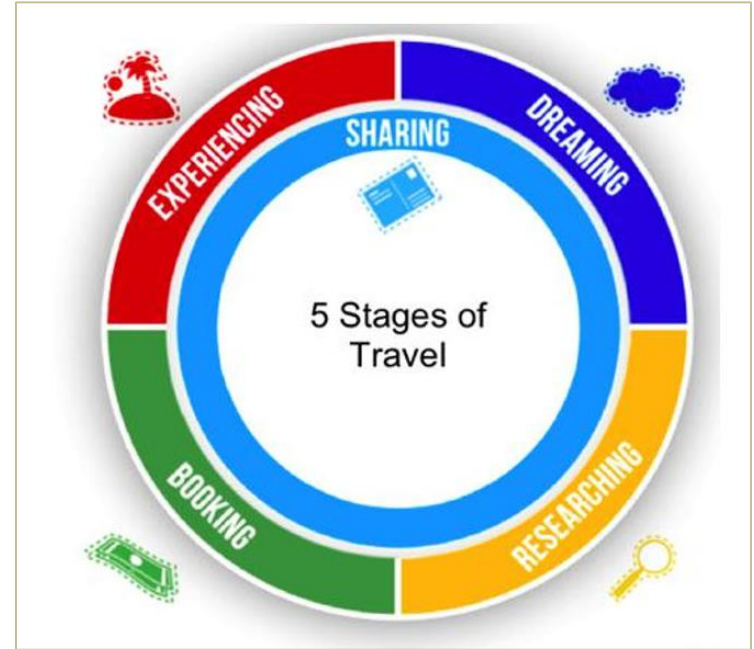
Group Activity!

Let's shop for accommodation!

Get into groups of 3

Activity - Step 2

- Now go and book the same property direct on their website

Discussion/ Compare/ Tell us what happened

The Customer Journey

5 Stages of Travel

Dreaming Phase

Dreaming Phase

Leisure "dreamers" are different to Business "dreamers".

- If you're going on a business trip, there will normally be a shorter dreaming phase. You might already know where you need to go and when you need to go.

- You might be dreaming about staying longer in the destination and what you could do if you had a few extra days. Or just dreaming of a very fast Wifi connection at the hotel ☺.

Dreaming Phase
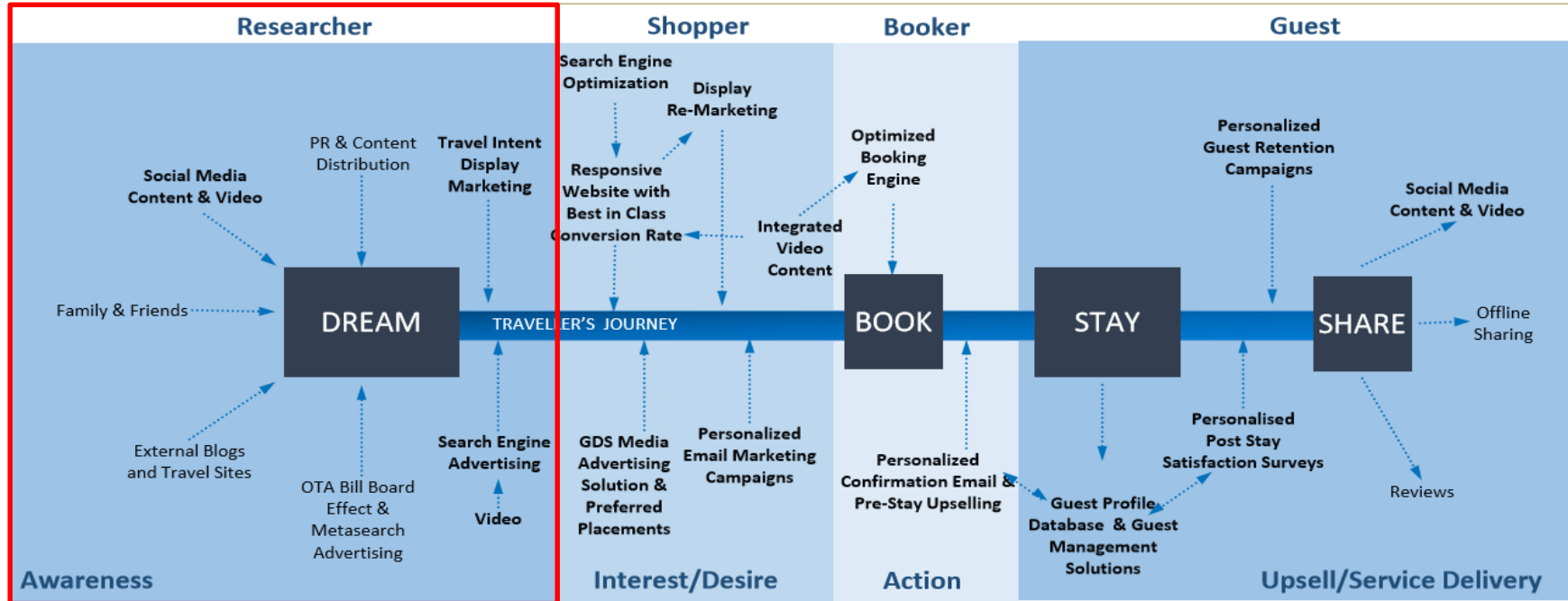
Source: Google / Phocuswright / Travelclick

Researching Phase

Researching Phase
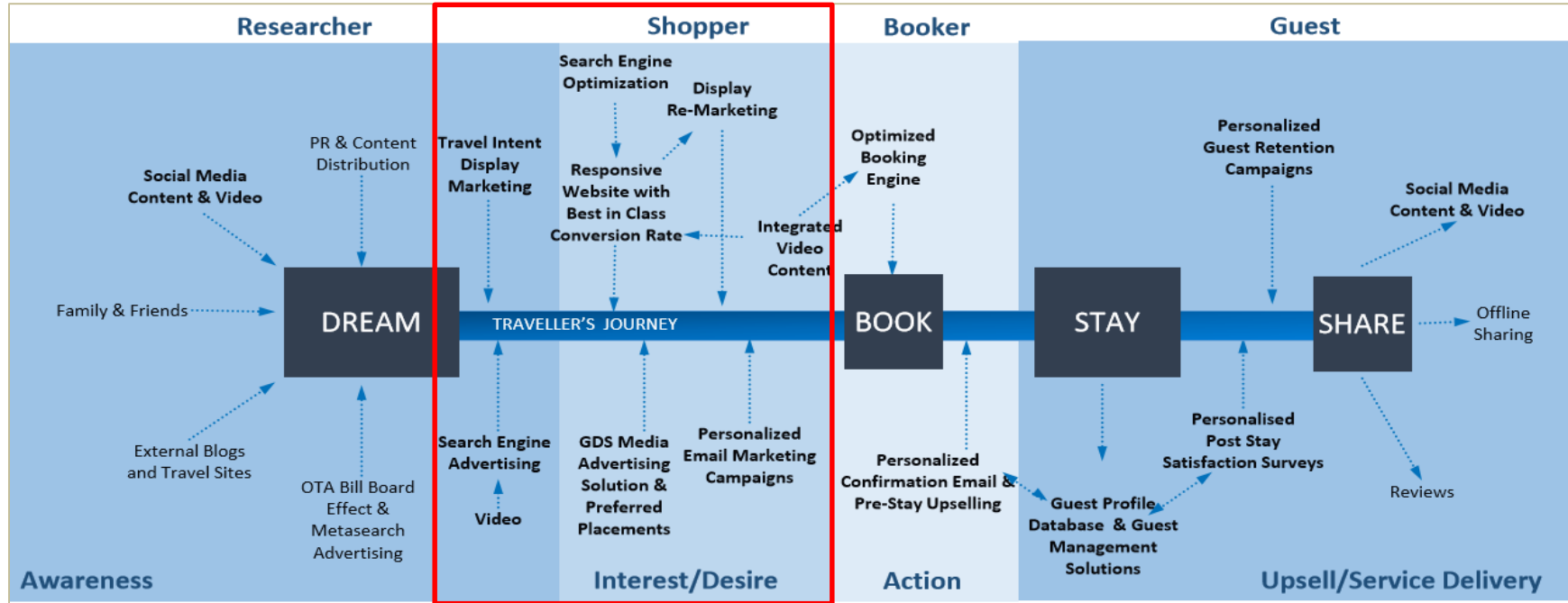
Source: Google / Phocuswright / Travelclick

Researching Phase

38 Websites on Average!

How travelers are finding hotels

55% used search engines

53% used online travel agencies

Increased Research Online!

Hotel Booking Channels - Globally

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5 Stages of Travel
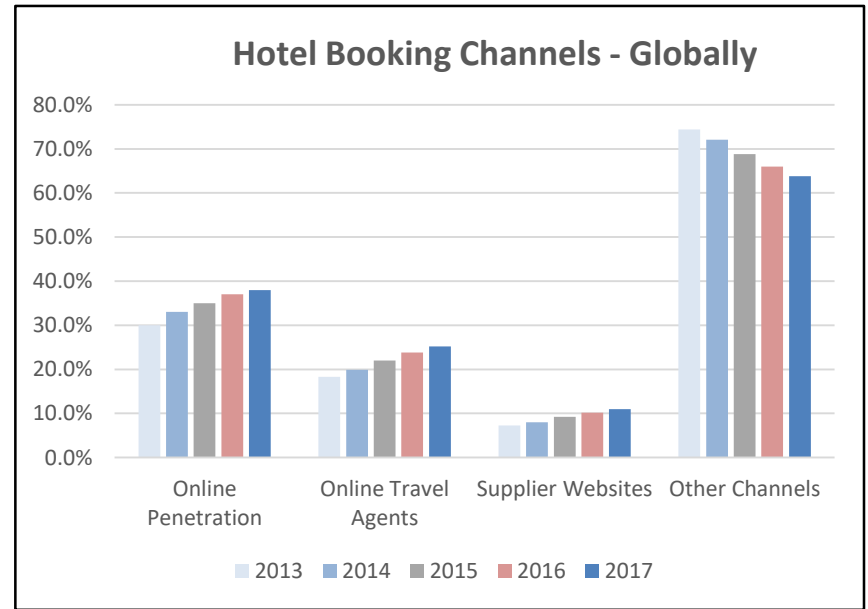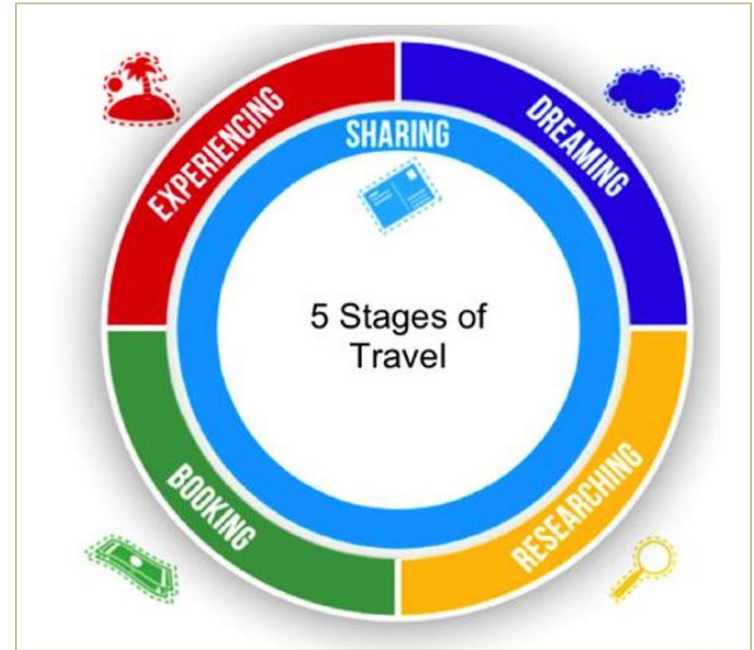
Booking Phase

Booking Phase
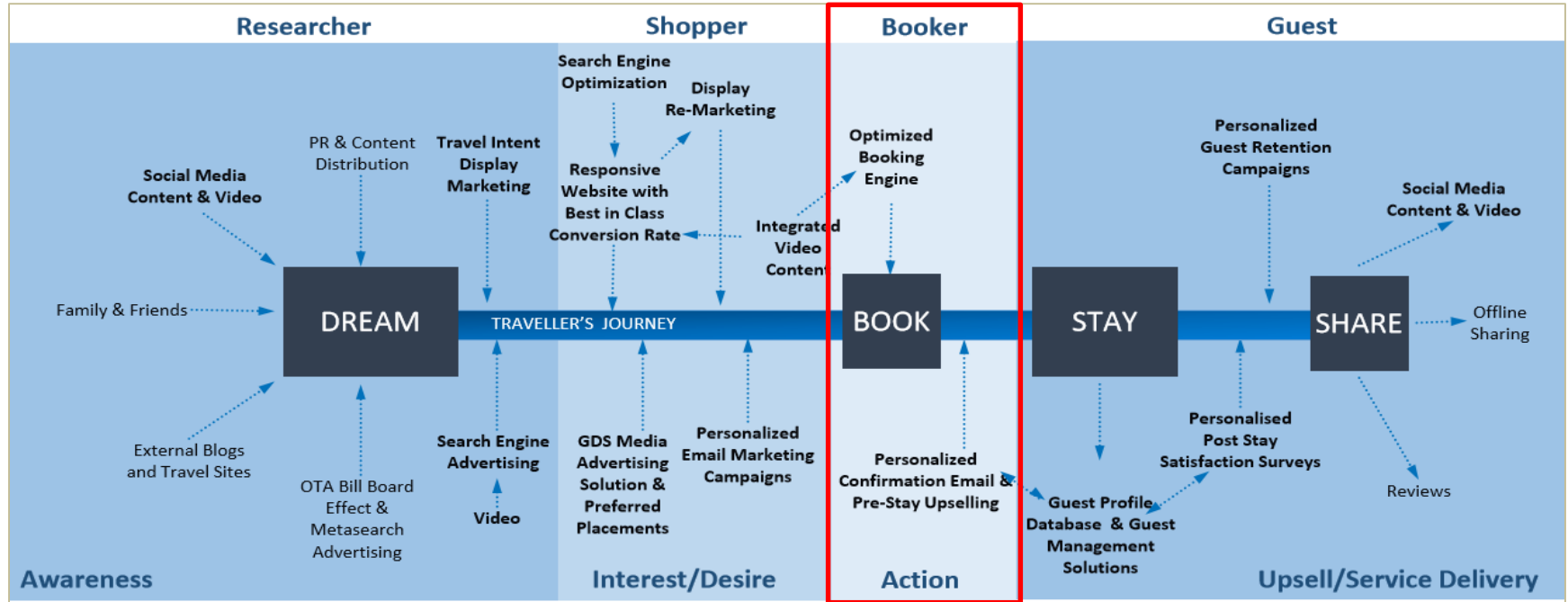
Source: Google / Phocuswright / Travelclick

View the video of this research study:
https://hsmaiasia.org/2017/07/09/price-reviews-and-the-business-traveller/
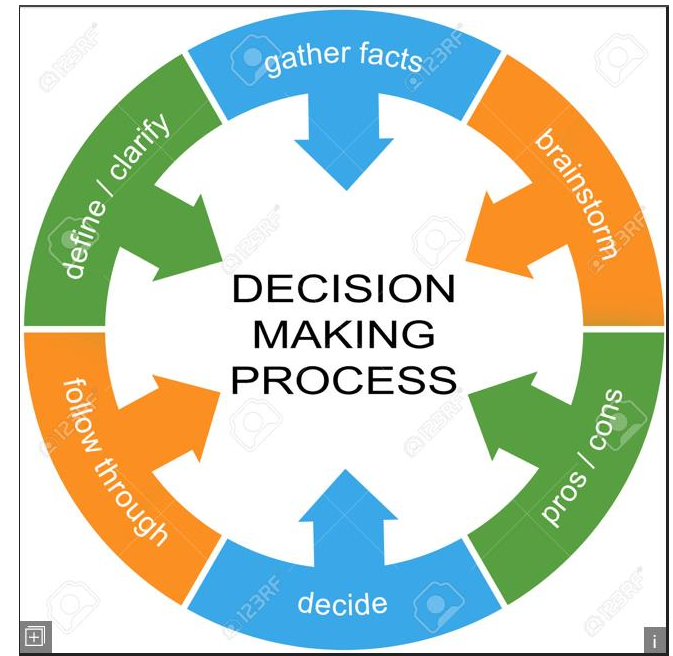
What Influences the Decision-Making Process?

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Booking Phase

Many things have an influence on which accommodation a consumer chooses:

- Location
- Price, value for Money
- Reviews, ratings
- Brand
- Friends, partner
- Travel agents
- Corporate policy
- Reason for travel
- Rewards, loyalty

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STUDY OF THE IMPACT OF USER GENERATED CONTENT ON

PURCHASE DECISIONS OF LEISURE AND BUSINESS TRAVELERS

LEISURE TRAVELER

1 Reviews Critical
Negative reviews remove you from the Leisure Travelers choice set.

2 Price Important
Price becomes a factor when all else is equal for Leisure Travelers.

3 Ratings Influence
It can't just be OK – it has to be great for Leisure Travelers to notice.

BUSINESS TRAVELER

1 Reviews Matter
Business Travelers want to know what their experience will be.

2 Loyalty Matters
Business Travelers will put up with good enough for points.

3 Price Matters
Business Travelers still recognize a good deal.

sas
THE POWER TO KNOW.

PENNSTATE

KELLY MCGUIRE & BREFFNI NOONE

Key Take-aways

- Reviews *matter* to Business travellers
- Negative Reviews *will take your property out* of the consideration set for Leisure travellers
- If you *aggregate Rating* is 5-circle/star, or at the top for your destination, leisure travellers will take notice

Key Take-aways

- Business travellers are much more influenced by **Loyalty clubs** than leisure travellers
- Business travellers still ***recognise a deal*** but they won't be as influenced by a few dollars difference
- Leisure travellers will respond more to **a known brand** than an unknown brand, whereas Business travellers will ***rank brand highly*** as they care more about the loyalty points from known brands

Why OTAs? Why not 'Direct'?...Well because they are the hotels' 'Phone book' for consumers. They have choice, convenience and brand awareness.

Horizontal bar chart:

Reason	Value
The website is easy to use	~47%
I am used to booking travel this way	~37%
I trust the brand	~34%
OTAs typically have the best prices	~30%
It is easy to book all of your travel in one place	~29%
The website has the most selection	~28%
It is easier to change and cancel my booking	~20%
I like their mobile app	~12%
I couldn't find what I wanted anywhere else	~10%

X-axis: 0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50%

Source: Phocuswright Channel Surfing Report

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So, where are consumers booking their travel?

Where Leisure Travellers are Booking Hotels?

Source: Phocuswright / Eye for Travel / Google / Expedia

FIGURE 4: Booking Channel Used for Hotels for Last Leisure Trip

OTA website/app: 25%, 32%, 32%, 20%, 31%, 36%, 39%, 29%

Hotel website/app: 34%, 27%, 23%, 26%, 13%, 12%, 9%, 14%

Called hotel: 21%, 12%, 15%, 16%, 17%, 17%, 13%, 22%

Travel agent: 2%, 5%, 7%, 2%, 7%, 10%, 6%, 5%

Walk-up: 3%, 4%, 3%, 1%, 2%, 4%, 6%, 5%

Legend: U.S., U.K., Australia, France, Germany, Russia, China, Brazil
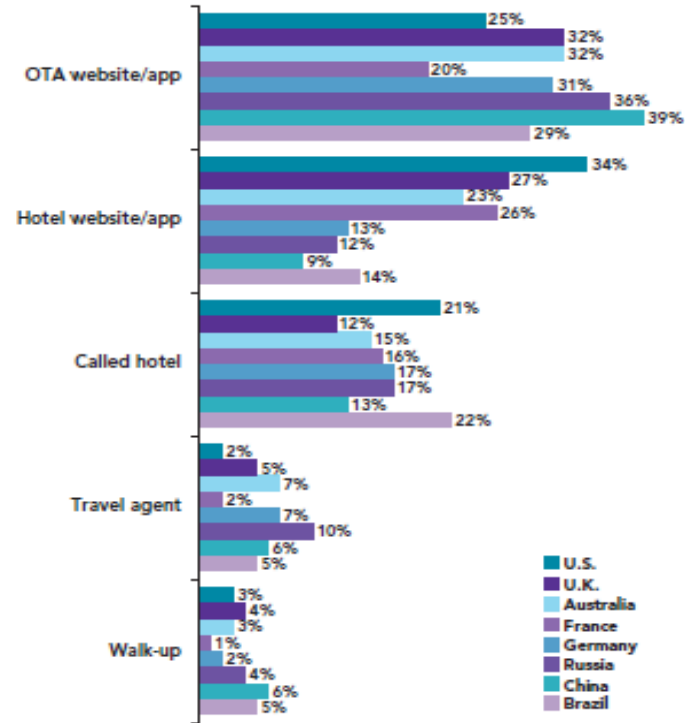
Question: Please indicate which method you used to book each travel component from your last leisure trip. Select one response per row.
Base: Hotel bookers: U.S.: (N=777); U.K.: (N=649); AUS: (N=757); FRA: (N=605); GER: (N=539); RUS: (N=552); CHN: (N=836); BRA: (N=714)
Source: Phocuswright's Search, Shop, Buy: The New Digital Funnel
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Travel Agents

Most travel agencies have a separate department devoted to making travel arrangements for leisure as well as business travellers and some travel agencies specialise in commercial and business travel only (TMCs).

Travel Agents book hotels in three ways:

1. Via a wholesaler (ie: leisure customers)
2. Via the Global Distribution System (GDS)
3. Directly with a hotel if they have a special negotiated rate available.

Experiencing and Sharing Phases

Experiencing and Sharing Phases
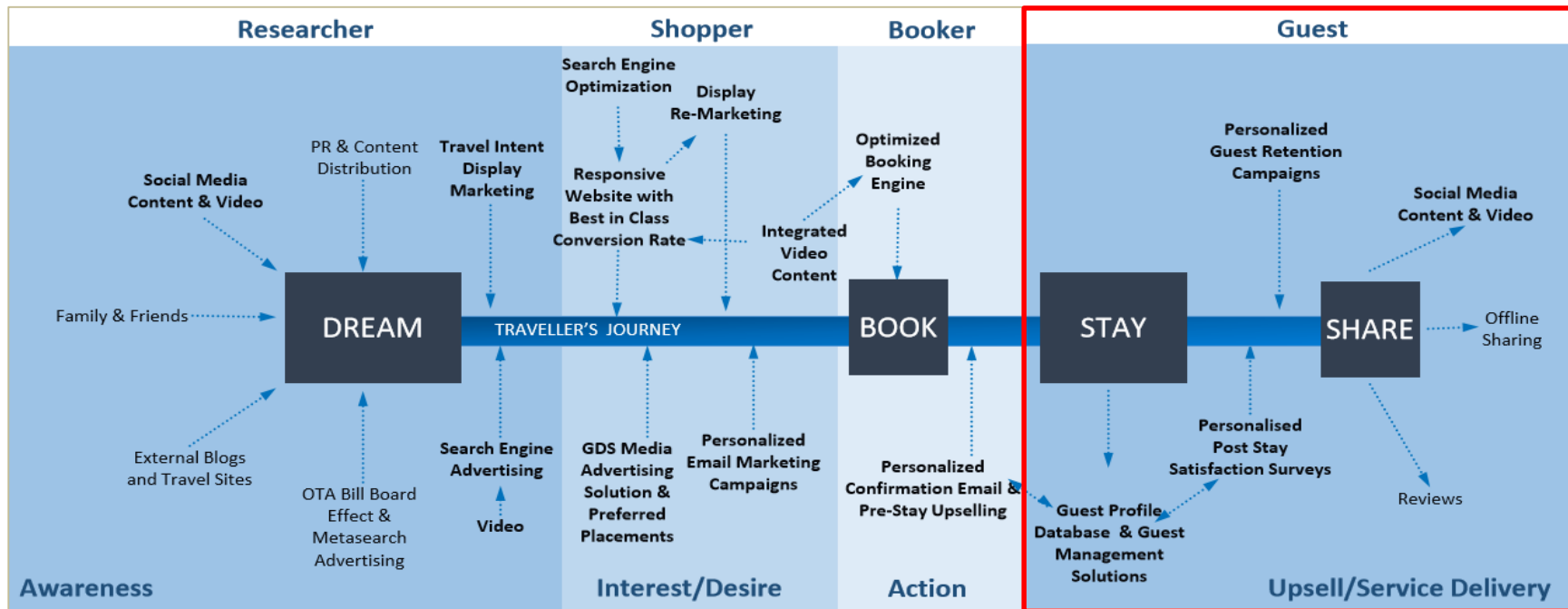
Source: Google / Phocuswright / Travelclick

Experiencing and Sharing

These phases influences others decision making!

Just about EVERYONE who has had a bad experience shares the experience on social media and review sites.

Source: Google / HSMAI / Common Sense

On holiday and still connected

IN-FLIGHT/ ON-PROPERTY SERVICES

45% of smartphone users have researched further information on services available in-flight or at their accommodation

CONTEXT/LOCATION-AWARE DESTINATION INFO

81% of smartphone users have looked for local information

72 PERCENT OF ALL SOCIAL NETWORK USERS ACCESS THEIR SOCIAL NETWORKING SITES DAILY WHILE THEY ARE TRAVELING

CAPTURING AND SHARING THE EXPERIENCE

89% of social media users share status updates on what they are doing and seeing whilst on holiday

86% of social media users share photo's whilst on holiday

Sources: Google & Ipsos Media CT, "Mobile Consumer Evolution: Understanding Smartphone Users", Aug, 2011
TripAdvisor survey 2012

Google

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Travel Agents

- Traditional and Corporate travel agents influence consumer choice so a relationship with agents is still important
- Travel Agents use GDS's (Global Distribution Systems) and Hotel Aggregators so keep these channels up to date
- Revenue Directors need to work closely with Digital Marketing teams to use data and analytics to continuously improve performance.

CERTIFICATE OF REVENUE MANAGEMENT (HOSPITALITY)

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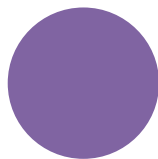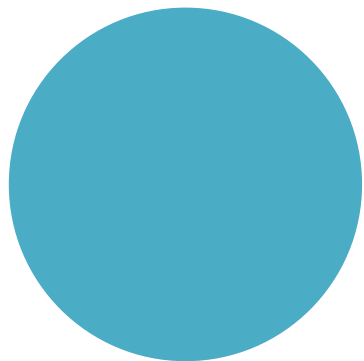
Events
Education
Membership
Information &
tools

www.hsmaiasia.org
www.hsmaiacademy.org

THE REVENUE MANAGER SUPERPOWERS
KEY COMPETENCIES & EVOLUTION OF ITS ROLE

Revenue Game – Maximize REVENUE

- Use the worksheet on the following page.
- The facilitator will read off reservation opportunities.
- Accept or turn down each reservation as it is read out.
- To accept a reservation write its rate down on the worksheet.
- Once denied you can not retake – just like in reality.
- Make multiple reservations in one room as long as they do not overlap.

Sample

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
$100	$100	$100		$50	$50	
	$50	$50				
		$70	$70	$70		

WHAT DID WE LEARN FROM THIS CHALLENGE?

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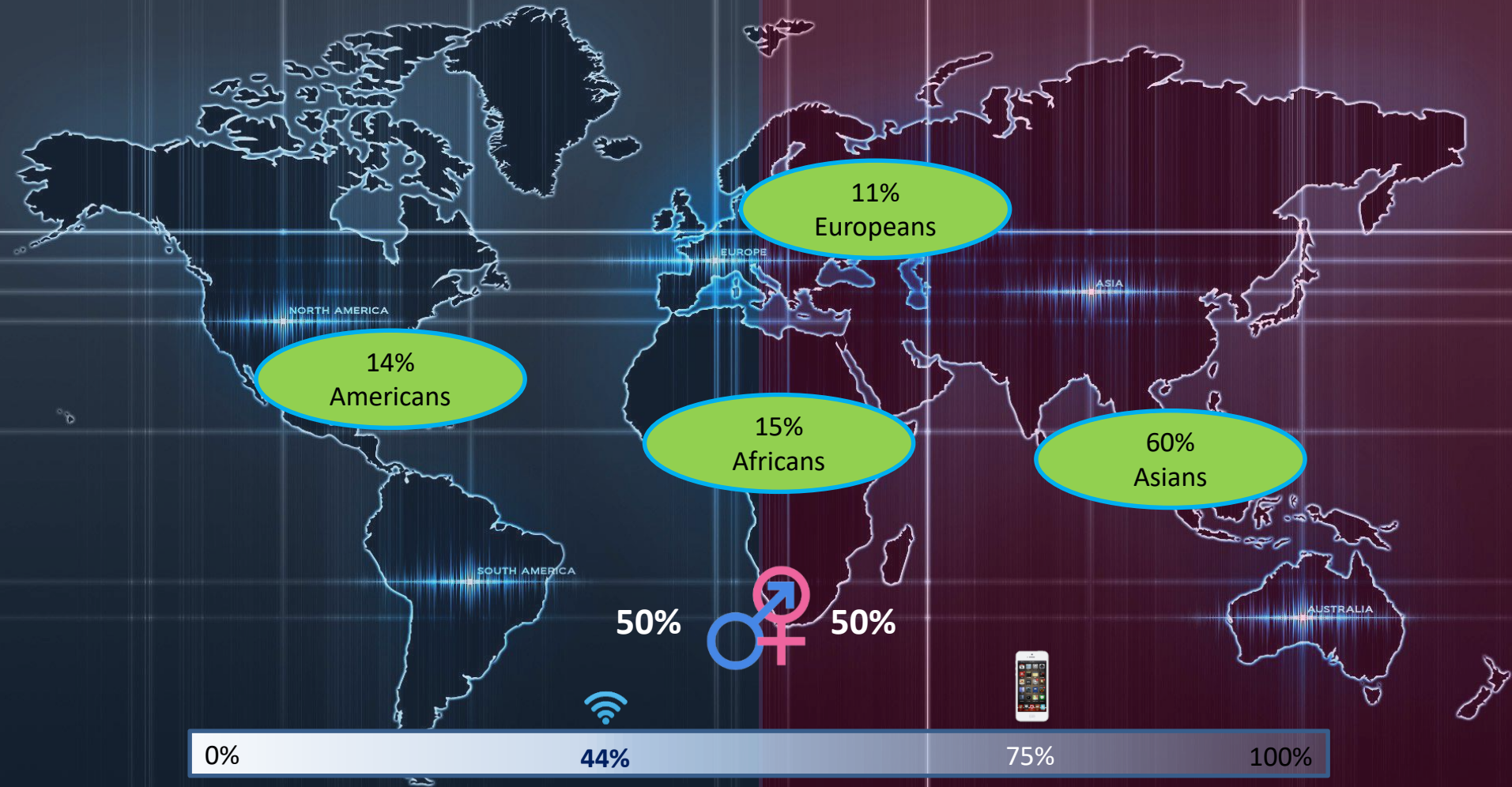
Travel Milestones

Creation
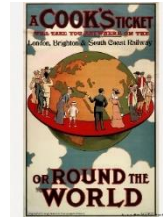
Automation

Innovation

Disruption

Evolution

Direct and total contribution of travel and tourism
(in trillion U.S. dollars)

HOSPITALITY SALES & MARKETING ASSOCIATION INTERNATIONAL
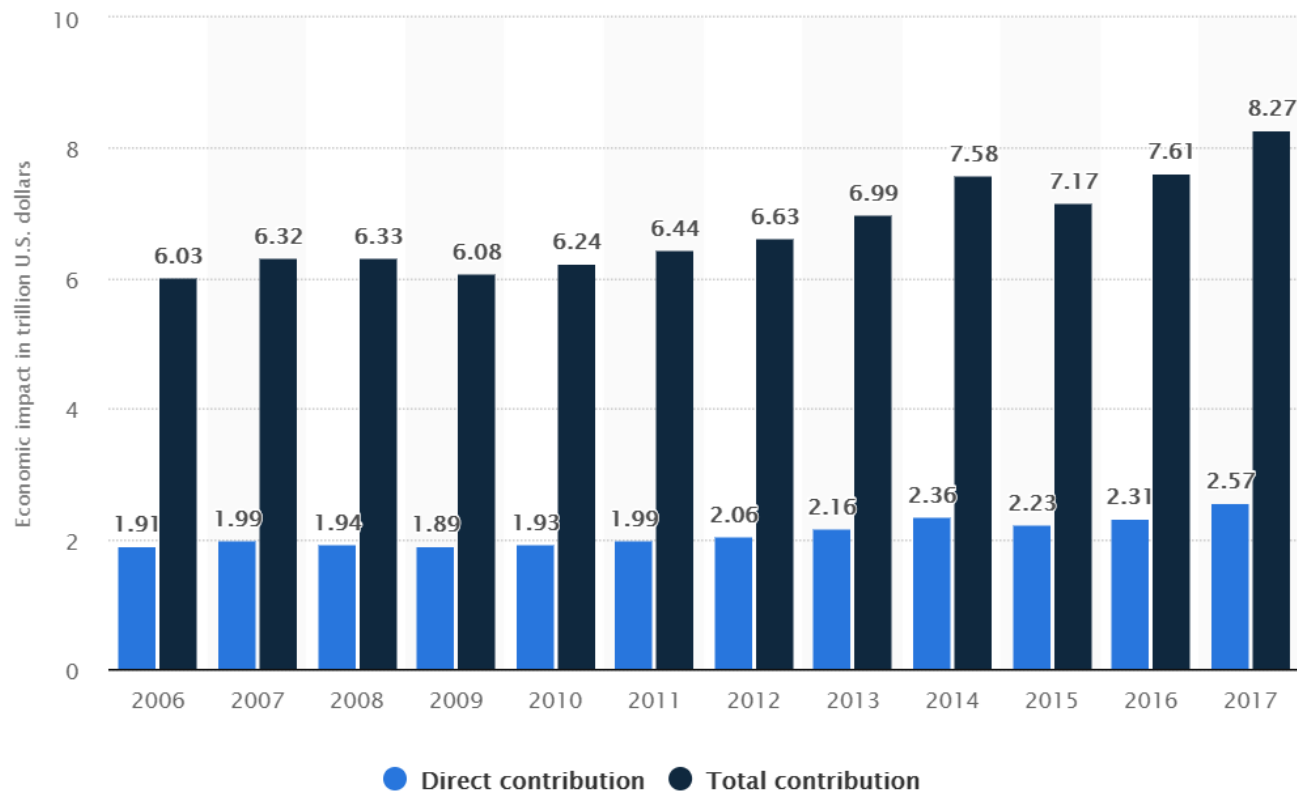
The Consumer & the distribution & pricing landscape have evolved

The **Distribution** landscape has **evolved**

The **Pricing** landscape has **evolved**

The **Consumer** has **evolved**

Founding principles of Revenue Management

Supply and Demand
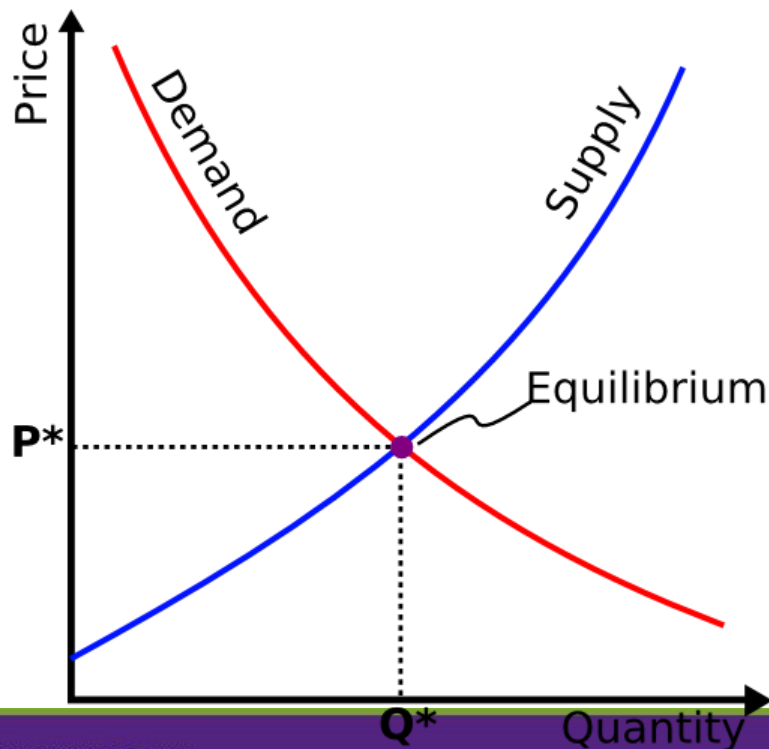
Revenue Management Principles
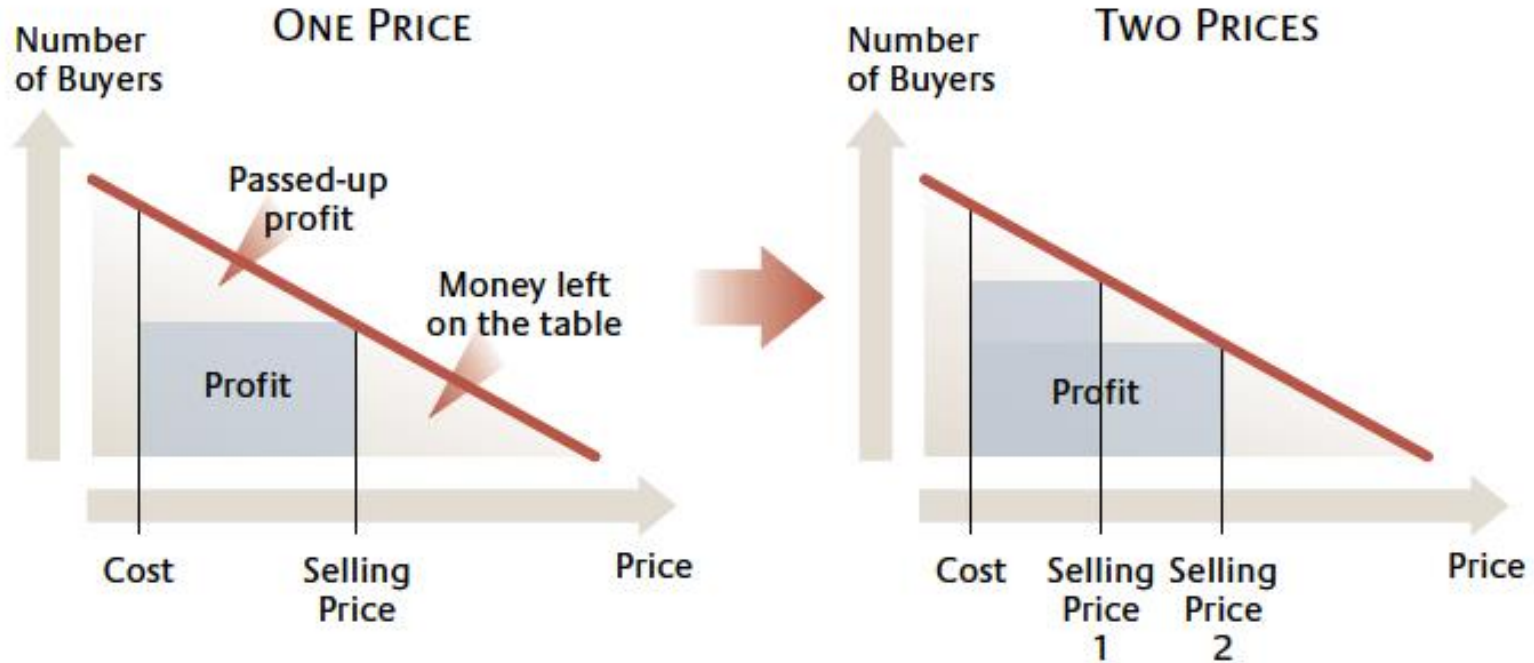
Value

Worth

fair and suitable eq

desirability, utility

being useful or de

Measuring Success - Internal

$$\frac{\text{Number of Rooms Occupied}}{\text{Number of All Rooms}} = \text{OCC } (Occupancy)$$

The most commonly used operating ratio

$$\frac{\text{Rooms Revenue}}{\text{Number of Rooms Sold}} = \text{ADR } (Average\ Daily\ Rate)$$

Average of all room types and rates

$$\frac{\text{Rooms Revenue}}{\text{Number of Available Rooms}} = \text{RevPAR } (Revenue\ Per\ Available\ Room)$$

Measures revenue capabilities of a hotel

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Measuring Success - External

$$\frac{\text{Hotel Occupancy}}{\text{Market Occupancy}} = \text{MPI} \; (\textit{Market Penetration Index})$$

How hotel occupancy compares to its competitive state

$$\frac{\text{Hotel ADR}}{\text{Market ADR}} = \text{ARI} \; (\textit{Average Rate Index})$$

How hotel average rate compares to its competitive state

$$\frac{\text{Hotel RevPar}}{\text{Market RevPar}} = \text{RGI} \; (\textit{Revenue Generation Index})$$

How hotel RevPar compares to its competitive state

Think about the bottom line
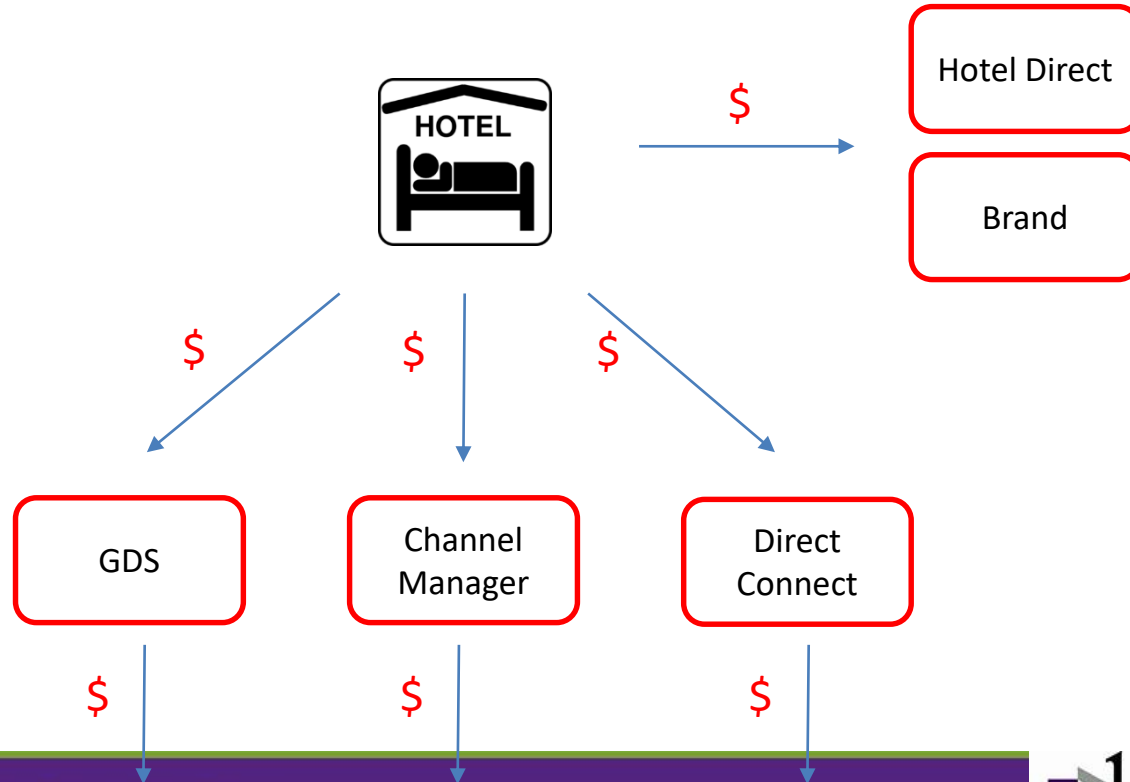
LET'S LOOK AT THE REVENUE MANAGER

Thinking Commercial

Metrics of the future

Focus on what matters

REVENUE MANAGEMENT

ASSET MANAGEMENT

SALES

OPERATIONS

MARKETING

FINANCE

The workforce
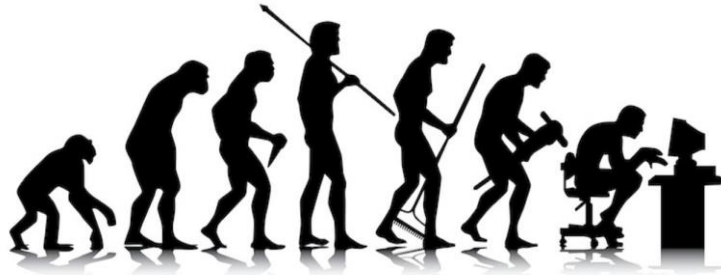
Humans and AI driven robots

Focus on strategy, "forget copy and paste" jobs

TACTICS

BUILD YOUR SUPERPOWERS
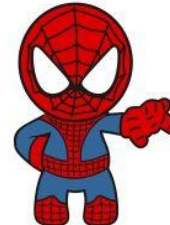
Thinking Commercial

Metrics of the future

Focus on what matters

Increase your Asset Value = YOU AUTOMATE where possible

THINK about what you want to measure

KEEP IT SIMPLE! Don't overcomplicate FOCUS!