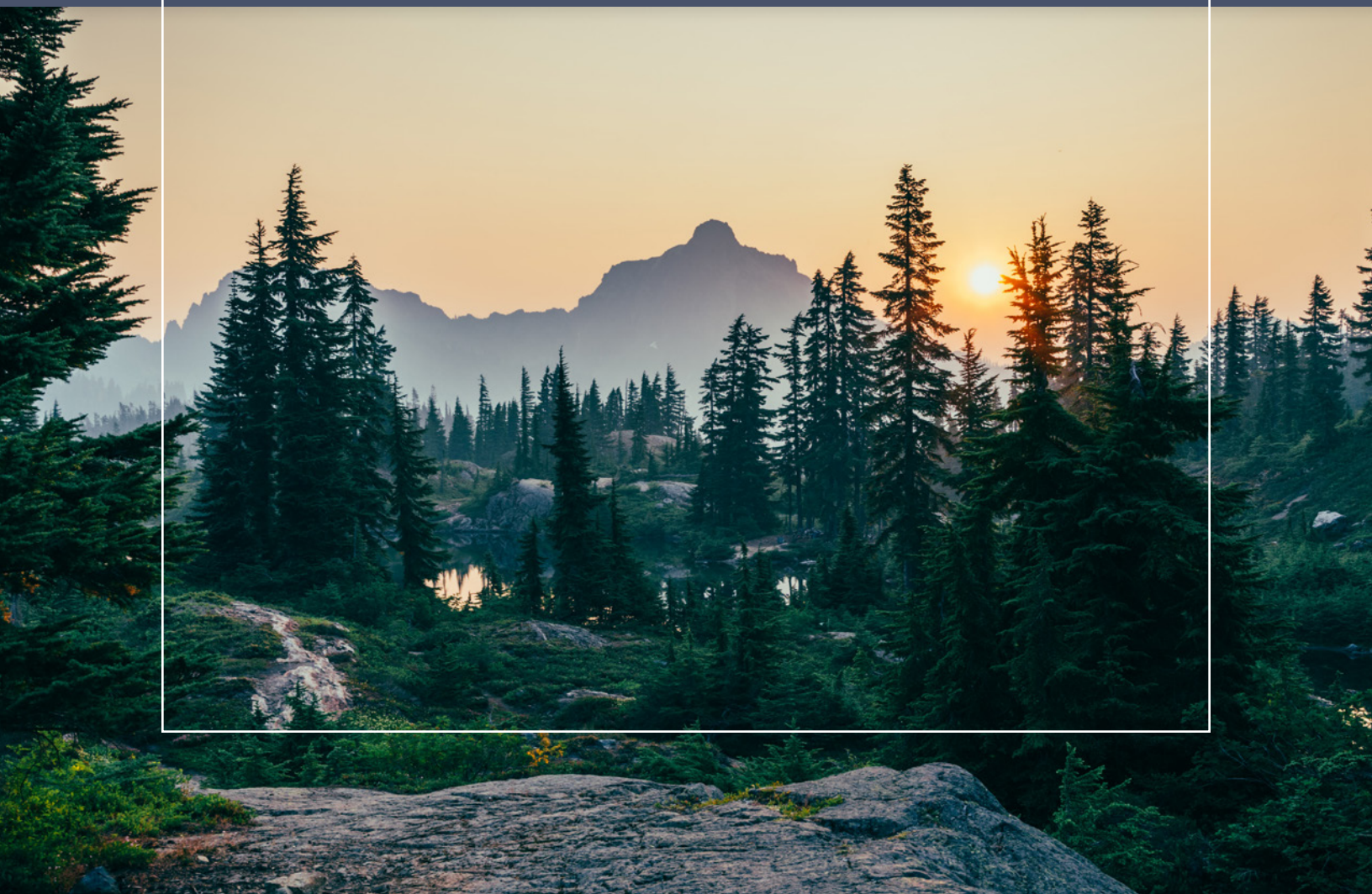


The Essential Guide to Direct Bookings for Hotels, Vacation Rentals & Casinos



BY JANINE YU

The current state of direct bookings

Direct bookings are the holy grail of the hospitality industry, and a channel properties wish they could solely rely on to maximize revenue and client loyalty. “In their aspirational mode,” Loren Gray, Founder & CEO of [Hospitality Digital Marketing](#) explained, “properties truly want to focus on direct bookings. In reality, they will take business wherever they can get it.” Gray goes on to say, “When you add in factors like soft rate integrity in the market, limited - if not anemic - marketing budgets, and poor utilization of CRM first-person engagement initiatives you are left with, ‘any producing channel’ will do.” But at what cost?

MINDSET OF HOTELS

While OTAs are considered a cost of doing business, hotels need to look at what percentage of their mix actually needs to come from that channel.

MINDSET OF VACATION RENTALS

VR companies have a harder time with brand recognition, especially with properties varying so significantly, so they believe listing sites/OTAs are the easiest way to get people in the door.

MINDSET OF CASINOS

Many casinos have loyalty programs that can offer discounted rates, comps, and upgrades- however, there is still a heavy reliance on OTAs.

What do they all have in common?

A known and accepted over-reliance on OTAs. All facets of hospitality lodging have reasons or excuses as to why they don’t put more energy into fighting for direct bookings. Many are leaning on age-old myths that slow progress towards lower-cost channels.

The 5 biggest misconceptions about competing for direct bookings

“My marketing budget is too small”

“It’s just a rates/dates game”

“It’s more effective if we just redirect phone inquiries to the website to book”

“Direct Bookings are just website bookings”

“No need to invest in owned channels when OTAs do the marketing for me”

Breaking through some misconceptions

Bushaw thinks that a lot of people have a false belief “no one picks up the phone these days” and “everyone books online,” which has led many hotels and resorts to focus entirely on their digital ecosystem. “While it’s extremely important to invest in that area of the business,” said Stacie Bushaw, Director of Enterprise Sales at NAVIS, “it should not be at the expense of not having the right tools and strategies in place to convert direct bookings when guests do pick up the phone and call to speak with the property.”

Direct bookings are not just “first touch or bust.” Bushaw explained it this way. “Whether the guest is searching online and booking over the phone or calling a reservation agent for information and then booking online, the two go hand in hand and act as a “booking assist” throughout the booking journey.

Direct bookings and loyalty can also be harnessed for a second stay. By capitalizing on first stay information and exceptional on-site experience, properties can gain a new loyal guest – one who may be inclined to book directly next time. That said, Gray reminds us that direct bookings are not the “end all, be all. It is not always the best channel, nor the sole channel to drive all things.” Gray reminds us to consider the context of the origin of business other channels offer.

4 Strategies with 5 Tactics to Up your Direct Booking Game

STRATEGY 1

Collect the *important* data and use it wisely

It all starts with data collection—gathering the basics like contact information and more detailed notes on guests’ interests and preferences online, on the phone, and whenever you digitally or in-person interact with guests. Go beyond the general reasons for a stay like “business” or “leisure” and get a more nuanced understanding of their reason for staying and with whom they are traveling. NAVIS RezForce sales agents for example are trained in asking open-ended questions to dig deeper into a guest profile, and all that valuable guest information is saved and passed on to the properties for personalizing stays.

And if a guest doesn’t end up booking, find out the booking abandonment reason, if possible.

This will help inform remarketing efforts, which can be optimized by segmenting lists. Say a guest decided not to book last year because your hotel wasn’t pet-friendly, but your hotel has since changed its policy. If you captured that important data point on why that particular guest didn’t book, you can reach out and market in a way that is both relevant and personal to them. Building segments from collected data is not just for marketing. Sam Hassanein, Solution Engineering Manager for IDeaS says it’s important to, “create customer behavioral segmentation and differentiate the booking experience based on what you know about those guest segments.” This includes understanding what can cause people in these segments rate hesitation.

Five tactics:

- » **Train your sales agents and online marketers** on how to use data for performance. “You can’t manage what you can’t measure,” said Bushaw.
- » **Capture as many data points as possible and aim for nuanced details.** Learn the guest’s reason for staying, particularly what brings them to the property and what features are important to them.
- » **Track campaign source across online and offline channels.** By knowing what campaigns or packages drove them to visit your website or call your property, you can remarket to them later for a second chance booking.
- » **Use the NAVIS Shopping Cart Abandonment tool.** With so many people in that “dream phase,” you want the ability to re-target them for a future booking.
- » **Use a marketing automation tool that allows you to segment lists** for more targeted marketing based on custom data points collected.

Invest in Frictionless Booking



Make sure that you have the infrastructure in place to handle all incoming booking inquiries. “We are still seeing hotels who are struggling to staff up and are not prepared to handle the influx of calls as travelers start to dream and plan their long-awaited vacations,” said Bushaw. And it’s not just reservation sales staffing that is flexing. Marketing teams are stretched thin as well. Marketers are looking for creative ways to optimize marketing channels for the best guest experience without draining the team.

For your website, tools like Shopping Cart Abandonment captures leads that don’t convert on the first visit. Your booking engine should also be integrated on your site, so that guests don’t click through to a third-party URL. This is one of the easiest ways to drive direct bookings, since guests can see real-time availability and get instant confirmation on their booking, giving them confidence that the hotel will honor the booking.

Make it easy for guests to navigate your website with the right imagery and pertinent details, even on their mobile phones. Consider Push to Talk or Push to Chat on your website to make it easy for guests to get in touch with the property in the way that is most convenient for them. Loren Gray goes into one of the areas that we don’t think about with our marketing

presence, “A true focus on ‘first-person dialog.” Dialog is not typically discussed in the marketing world, but more so on the reservation sales side..

Gray goes on to say, “The very real diminishment of third-party data and dialog loss will make it even more imperative to create and foster first-person ‘cookies’ with direct engagement and strategic dialog directly with the guests past and future.”

For phone reservations, first and foremost make sure that prospective guests can get a human on the line quickly. NAVIS Rezforce provides sales agents to provide overflow and after-hours call center service for properties. The staff goes through intensive training, so the guest has no idea they are speaking with an offsite hotel representative.



Five tactics:

- » **Implement a system that will electronically capture phone numbers** would not only help guest service but would also contribute to increased revenue. The staff would be able to immediately return calls from abandoned callers.
- » **Make it easy for the guest to find a way to call your property** to talk to an agent. This means easy visibility of your property phone number – across both mobile and desktop.
- » **Arm your reservation sales agents** with “closing” techniques and build their skills around overcoming obstacles and creating the right call flow to earn the booking.
- » **Ensure your website is up to date** with the most recent information about the onsite guest experience – amenities, outlets etc.
- » **Make sure your marketing speaks to the unique property features and experiences.** In similar fashion, your reservations team should be adept at painting a picture of what it’s like to stay at your property - leading to higher conversions.

STRATEGY 3

Sweeten the deal for direct bookings, without losing your shirt

“It’s important to align the right incentive to the right customer,” explained Bushaw. For example, if you are trying to do an OTA retargeting strategy, offer a discount or a property credit if the guest books direct for their subsequent stay. “The goal is always to ensure they will get the best value possible when booking direct,” said Bushaw.

While rates are of course a key consideration, make sure to include a favorable cancellation policy or ways to reduce risk if they book direct. Loyalty programs are a great way to motivate customers to book direct, by offering a points and rewards system. However, keep in mind that loyalty programs not run directly by a property do come at a cost. According to [HotelTechReport](#), you need to keep a pulse on cost and whether the loyalty program is actually incentivizing direct bookings.

You won’t always be able to avoid discounting, so finding the right pricing strategy is imperative. Hassanein states, “Pricing should be as complex as your hotel. Don’t just price your base room type – think about room-level pricing.” He goes on to say, “Ensure higher-demand room types such as larger suites and rooms with kitchens (safer than dining out) are priced accordingly. Also, remember, people who book suites tend to be more likely to book direct.”

Five tactics:

- » **Create a loyalty program** where guests can earn points they can easily redeem.
- » **Offer rewards and similar incentives**, available only with direct bookings.
- » **Provide add-ons and extras** like shuttle services, gifts related to your location, or tours, activities, and partnerships with local attractions.
- » **Straight from the revenue experts at IDEaS** - If you need to discount, do it based on your true demand. Incorporate dynamic-discount pricing—don’t just use a blanket discount across the board. Your discounted rate should fluctuate with demand.
- » **Reroute your OTA commission savings** from direct bookings into your guest experience - technology, training, on-site, etc.

STRATEGY 4

Understanding your true unconstrained demand

Measure your true unconstrained demand and execute specific strategies that will enable you to convert more direct channel bookings. But what is your actual unconstrained demand? Many think they are measuring their demand correctly, but the majority are only including booked data in their analysis. For instance, if you have 30% call conversion, what data are you capturing from the 70% to allow for smart retargeting.

A recent study indicated that 58% of hospitality commercial strategists are using a combination of bookings data, denials, and regrets as their primary measurement of demand, while 25% are using STR reports or forecasts. The challenge with this approach is that these benchmarking services only measure converted demand for hotels. Now, what about uncaptured demand? This includes customers that initially looked at your destination but opted for another, as well as those that chose other types of accommodations like Airbnb or Vrbo. To really understand why a customer chose another property, you need to know your true competitive set and what their strategies are. Monitor your feeder markets and market trends like a hawk.

Five tactics:

- » **Broaden your demand scope** by capturing online behavior before abandonment and collecting everything you can on unbooked calls.
- » **Invest in outbound sales efforts**, voice retargeting from unbooked calls, automated email marketing and website remarketing based on collected data like room types, travel dates, and location.
- » **Utilize targeted digital marketing campaigns** that leverage your established customer base to create lookalike audiences that share behavioral characteristics with those already in love with your hotel.
- » **Utilize market trends data** alongside your unconstrained demand reporting to craft your revenue management, marketing and sales strategies. Right now, trends are changing daily, and in some cases hourly.
- » **Work with your local tourism bureau or chamber of commerce** to target events and accounts that have used comparable or competitive markets in the past but have not yet visited your market or submarket.

It's all about the mix

Let's be clear – OTAs aren't the enemy. Far from it. When used correctly, they can drive good revenue to a business that may be struggling to fill its rooms. But it comes at a high cost, up to 30% commission, and losing the ability to capture data that can result in better service and loyalty in return. With the right tools and strategies in place, hotels, vacation rentals and casinos can maximize their direct bookings and save on paying out commissions. It takes an honest – and constant— appraisal of the value the different booking channels bring.

“By focusing on direct bookings, you lead the charge with total profit optimization, and every decision you make affects that.”

–**Sam Hassanein**, *Manager*, Solution Engineering for IDEaS

Contributors



Stacie Bushaw

Director of Enterprise Sales, NAVIS

With over 22 years of growth and experience in the hospitality industry, Stacie Bushaw brings incredible knowledge of hotels and vacation rentals to her team. For over 10 years, Stacie has worked with NAVIS as a National System Consultant. In her role, she has had the pleasure of working with some of the finest hospitality and lodging companies in the country, including Vail Resorts, Auberge Hotels, and Resorts, The Broadmoor, Two Roads Hospitality, and more. As a Director of Enterprise Sales, Stacie leads her team in consulting with asset managers and management companies to identify ways to optimize revenue throughout reservation sales, marketing and revenue management. In addition to her tenure at NAVIS, Stacie started her career in hospitality and spent 12 years in a variety of roles at the Riverhouse in Bend, Oregon. She also has actively participated in professional organizations such as Meeting Professionals International - Oregon Chapter where she served on the board of directors for 4 years, Oregon Society of Association Management and the Oregon Society of Government Meeting Professionals. Stacie is a huge lover of the outdoors and spends as much time as she can hiking the beautiful mountains around Oregon.



Loren Gray

*Founder and CEO,
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Internationally recognized authority in the field of hospitality marketing, Loren has risen through all facets of the hospitality industry, from property to corporate, branded, and independent. Then becoming a partner to one of the largest agencies in Dallas TX before creating his own firm. He has appeared in international conferences spanning the hospitality and digital marketing industries. Loren has spoken at events across the US, Canada, the Caribbean, Australia, China, and Europe. He has contributed to publications such as the New York Times, USA Today, Financial Times, Wall Street Journal, and numerous trade journals. As a recipient of multiple awards and certifications, Loren hosts the globally recognized live streaming/podcast, 'This Week in Hospitality Marketing' reaching thousands each week in over 39 countries for over six years.



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Sam Hassanein joined IDEaS in 2014 bringing 10 years of expertise in hospitality software, distribution and revenue management. As Manager of Solutions Engineering, Sam uses in-depth product knowledge and industry best practices to design innovative revenue and profit optimization solutions for hospitality companies. Prior to IDEaS, Sam led a team of channel management specialists for TravelClick and spent four years with Marriott International in front office operations. He is an active member of HSMIA and is credited as a Certified Revenue Management Executive (CRME). Sam attended the University of Central Florida and majored in Chemistry. Sam is originally from Northern New Jersey but calls Central Florida home. In his free time, Sam enjoys travel, cooking, and spending time with his family.

One Platform. One Team. More Profit.

A Complete Hospitality CRM With A Proven Platform.

For hospitality professionals, getting and keeping profitable guests is tougher than ever. NAVIS has created the only complete Hospitality CRM with a proven plan to help Reservations, Revenue Management, and Marketing truly operate as one team, and make more profit.

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