

How Online and Mobile are Sales Saviors for Hotels

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Wednesday, April 12, 2010

HOTELS EMERGING FROM THE GLOBAL RECESSION NEED TO CULTIVATE AS MANY VIABLE, SUSTAINABLE REVENUE STREAMS AS POSSIBLE. VANESSA HORWELL, CHIEF VISIBILITY OFFICER, TRAVELINK'D EXPLAINS HOW IT CAN BE DONE...

While many properties are bolstering their auxiliary revenue generators- their spas, restaurants and other for-fee guest services- most others are focused on shoring up sales of their core product: rooms.

In the dreary days of late 2008 and just about all of 2009, generating (or even maintaining) room sales meant instituting dramatic rate cuts and selling a bargain. Hotels across the world were quick to acknowledge that this was the least sophisticated sales technique available, but a barbaric recession demanded the use of blunt instruments, and so the 50%-across-the-board rate cut became the band-aid du jour. In 2010, as the recovery gets (slowly) underway, hotels must turn to more sustainable avenues of booking growth if they hope to increase room sales over the mid to long-term.

Always Open, Online Rules

The most productive avenue, to be certain, is the online sales channel. With its innumerable online travel agencies and aggregator sites, not to mention proprietary websites and GDS-connected brand websites, the online channel remains the most important sales tool available to hotels. Lodging operators know this well; so much emphasis has been placed lately on revenue management with a sharp eye toward channel management and logical inventory dispersal, making sure rooms are made available to the most likely consumers at the best possible price.

Yet with all of the online sales options available, the outlet where hotels should be placing the most emphasis is their own website. Beyond the obvious advantages of foregoing third party fees, the proprietary website offer hotels a greater degree of control over their ancillary offerings (and the potential to derive additional revenue from them; imagine providing tour booking on the website through a partnership with a local tour operator, instead of letting Orbitz suggest one and reap the commission). It also allows hotels to open a line of communication with their guests, and to gain valuable information about their customer base. The third party online sales channels may have more reach, but a hotel's own website has more depth.

Mobile, Mobile, Everywhere

Another sales channel related to the hotel website is the mobile channel. Far fewer hotels have dedicated resources to mobile, as the barriers to participation can be high such as setting up a mobile booking platform, providing a user interface to facilitate the reservation process or linking the mobile system to the existing PMS or revenue management system. Yet the mobile channel is the undisputed channel of the future. The advances in mobile device technology and within the mobile internet have given consumers (and hoteliers) the capability to conduct complex transactions quickly and easily, and the proliferation of back-end consultants and solutions providers makes implementing a mobile reservations program relatively easy. The reach of the channel itself should be impetus enough to launch a mobile booking program; mobile phone penetration in the UK surpassed 118% in 2009, and smartphone market penetration approached 30% according to comScore.

That's a lot of potential guests.

The intersection of the mobile booking path and the internet is becoming easier to arrive at with the popularity of smartphones and mobile booking apps, in particular, are set to make a serious impact on the lodging industry.

After the debacle of 2008 and 2009, it will be the online and mobile channels that will help hotels and resorts across the world reclaim their lost revenue streams. Hotel operators take heed now.





About Jennifer Rodrigues

Jennifer Rodrigues, Visibility Specialist with ThinkInk and TravelInk'd, is a seasoned public relations professional with a passion for the hospitality industry, which is expressed in her role at ThinkInk's travel division, TravelInk'd. At TravelInk'd, she is responsible for developing cost-effective and creative public relations and marketing strategies for clients in the travel and tourism, airline, lodging, cruise and meeting/event sectors. For more information on TravelInk'd, please visit www.travelinkd.com or contact Jennifer at jl@travelinkd.com.

http://www.eatoutmagazine.co.uk/online_article/How-online-and-mobile-are-sales-saviors-for-hotels/10630



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