



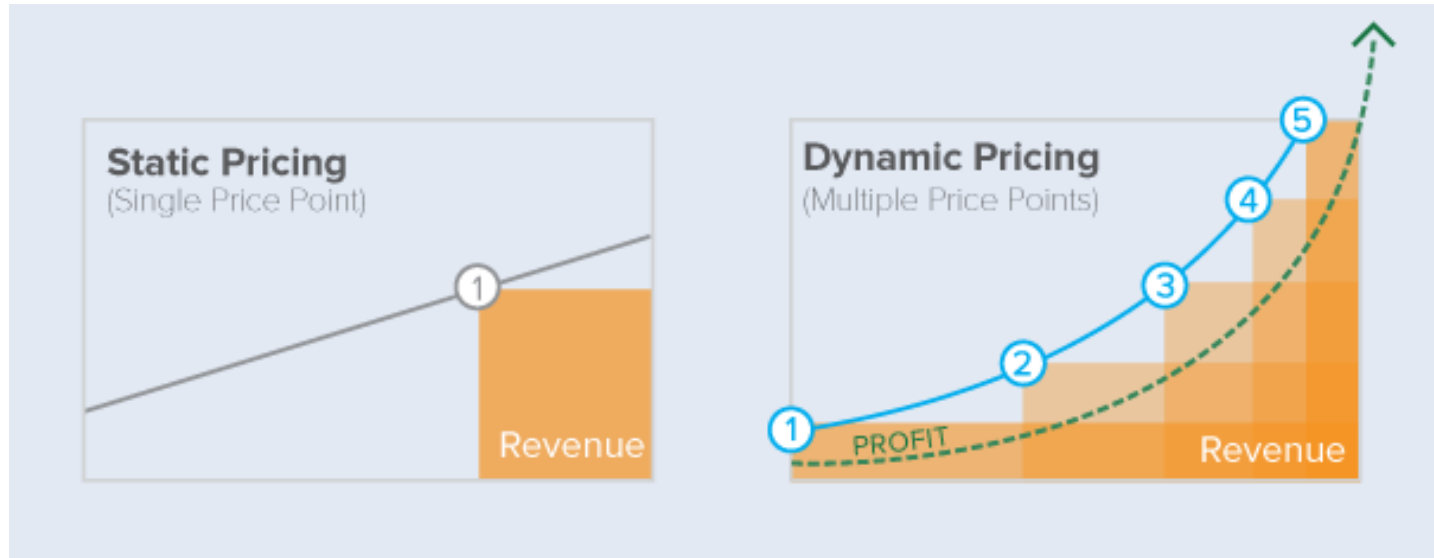
Where is Online Distribution Going?

All over the place



- Everyone is selling to everyone
- Everyone is buying from everyone.
- All they care about is finding the lowest price
- Who do I mean by everyone?
OTAs, Wholesalers, Bedbanks, Travel Agents, Aggregators, Everyone

Static Rates Vs Dynamic Rates



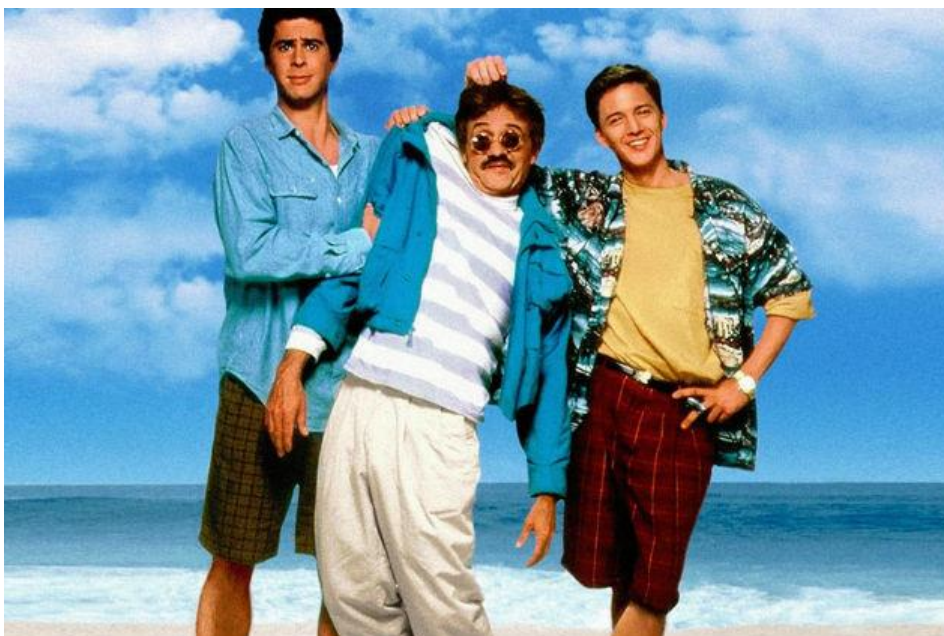
- If I don't have static rates, I won't have rate leakage right?

Wrong!!

- If you have distribution partners with high commissions it will leak.
- If you have a promotional discount it will leak
- If you have an opaque discount it will leak – even as a non-opaque rate



Rate Parity IS DEAD



Rate Parity is Dead

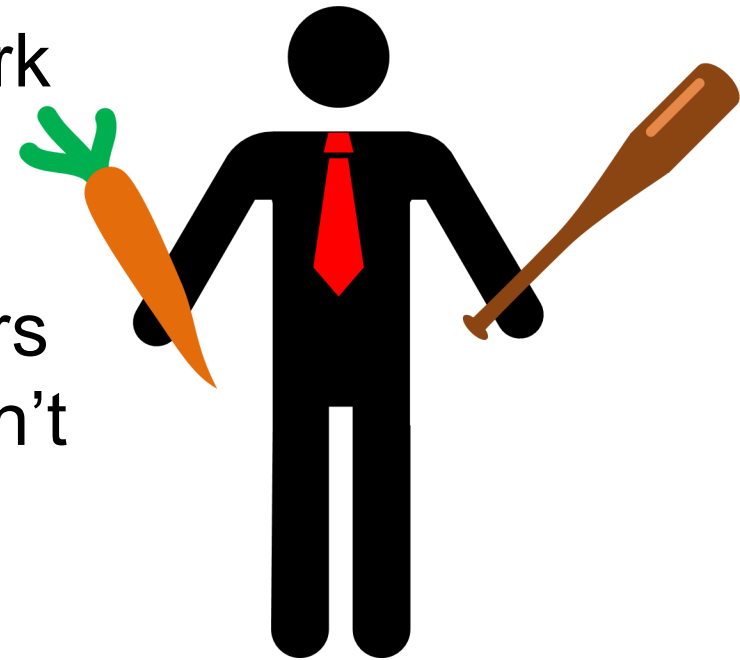
What does this mean?



- Public rate parity remains (but who cares?).
- Your distributors want a levelish playing field
- Your distributors are starting to 'Revenue Manage' you, whether you like it or not.

What Can I do?

- Work closely with your partners to control distribution. They will work with you.
- Have diverse distribution partners so you can cut off one if they don't want to work with you.
- Control your discounts.



So now everyone is selling me? Is this a bad thing?

- No – as long as your sell price is high enough
- Treat all of your distribution channels fairly. Make sure they treat you fairly. Talk to your market manager
- Explore new distribution channels. Make sure you have a good channel manager to help with this.

How do I revenue manage my online rates?



- Room types people. Work out how to price the higher room types to sell. Otherwise you'll fill them with lead in room rates.
- Don't use too many channels. The top 5 or 6 will bring in 95% of your business. Using their extranets and doing revenue management will bring you more revenue than trying to make sure 14 channels are working (even with channel managers). Yes use bedbanks.

How do I keep getting direct bookings?



- If you aren't yet, get the capability to offer member rates or private sale rates on your website **NOW!**
- Price comparison widget.
- Make sure your website works on mobile.
- Attractive packaged deals. Sell the experience. Hard for the OTAs to compete.
- Online marketing (CPA where possible with the meta search sites)

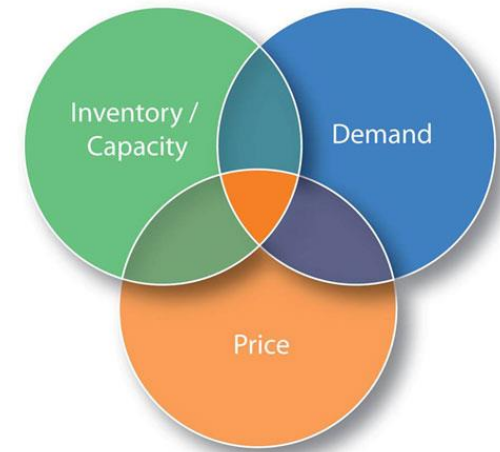
Revenue manage your distributors?



- Online wholesalers are almost B2C and OTAs are doing B2B. Its all blurred and mixed up.
- Structure your static and bar rates. Make sure static rates have limited inventory allocations.
- B2B rates will leak into B2C sites. All you can do is follow up and fix where possible. If a channel does too much – cut them off until they fix it.
- Be careful with promotions. Use their extranets to enable and disable promotional rates. Watch for them leaking private rates to the public.



OTA Revenue Tools



Expedia and Booking.com are both providing tools.

expedia PartnerCentral

Rev+ Feedback

My Price Calendar Price Grid Download Price Grid (.csv)

Price Grid

Lowest available price, shown in USD, for two people staying one night (taxes & fees not included).
 = Lower price compared with my hotel

	Mon Aug 15	Tue Aug 16	Wed Aug 17	Thu Aug 18	Fri Aug 19	Sat Aug 20	Sun Aug 21	Mon Aug 22	Tue Aug 23
Market Alerts									
Average Market Watch Rate	170	191	230	208	165	155	155	158	170
My Hotel Name	169	179	209	189	149	169	159	159	149
Competitor Name 1	169	189	229	x	159	169	179	179	254
Competitor Name 2	199	244	259	254	159	149	149	159	159
Competitor Name 3	x	x	229	162	153	135	135	135	135
Competitor Name 4	159	179	359	259	169	159	159	159	159
Competitor Name 5	279	216	182	181	265	337	187	179	178

View the full competitive price grid

Your Hotel's Calendar: suite.booking.com

BookingSuite

June 24, 2015 - July 26, 2015

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Jun 24 \$119	Jun 25 \$119	Jun 26 \$119	Jun 27 \$119	Jun 28 \$119	Jun 29 \$119	Jun 30 \$119
Jun 30 \$119	Jul 1 \$119	Jul 2 \$119	Jul 3 \$119	Jul 4 \$119	Jul 5 \$119	Jul 6 \$119
Jul 6 \$119	Jul 7 \$119	Jul 8 \$119	Jul 9 \$119	Jul 10 \$119	Jul 11 \$119	Jul 12 \$119
Jul 13 \$119	Jul 14 \$119	Jul 15 \$119	Jul 16 \$119	Jul 17 \$119	Jul 18 \$119	Jul 19 \$119
Jul 20 \$119	Jul 21 \$119	Jul 22 \$119	Jul 23 \$119	Jul 24 \$119	Jul 25 \$119	Jul 26 \$119

Detail window Legend Excel

OTA Revenue Tools



Things to remember

- The tools themselves are pretty good and easy to use. If a little basic.
- These tools are made to maximise yours and the OTAs room revenue from selling on the OTA in question. They do not understand total customer spend. Anything to do with meetings, banqueting etc is out the window.
- These tools do not and cannot taking into account revenue that you get from other OTAs or market segments.

What's Google Up to?

The Global Rollout of their new hotel search experience has begun.



Google

Frankfurt

Sun, Nov 18 Mon, Nov 19


2

€0 €350+

Guest Rating Amenities More Filters


Frankfurt hotels 285 places

Sort by rating




€198
11% off €222

Sofitel Frankfurt Opera
4.7 ★★★★★ (329) · 5-star hotel
Modern, upscale property offering a French restaurant, a baroque-style bar & a fitness...




€173

Villa Kennedy
4.6 ★★★★★ (523) · 5-star hotel
High-end lodging in a plush villa, offering a refined Italian restaurant, a chic bar & a garden.




€149

Jumeirah Frankfurt
4.6 ★★★★★ (423) · 5-star hotel
Sophisticated quarters in a plush hotel featuring a stylish bar, a Lebanese restaurant ...




€49

Premier Inn Frankfurt Messe
4.6 ★★★★★ (364) · 3-star hotel
Warm rooms in a modern property featuring a cafe, free Wi-Fi & a relaxed restaurant/bar.



€75

Capri by Fraser Frankfurt
4.6 ★★★★★ (359) · Holiday Apartment
Cool studios & apartments in a contemporary pick, plus a trendy restaurant, a bar & a 24-hou...

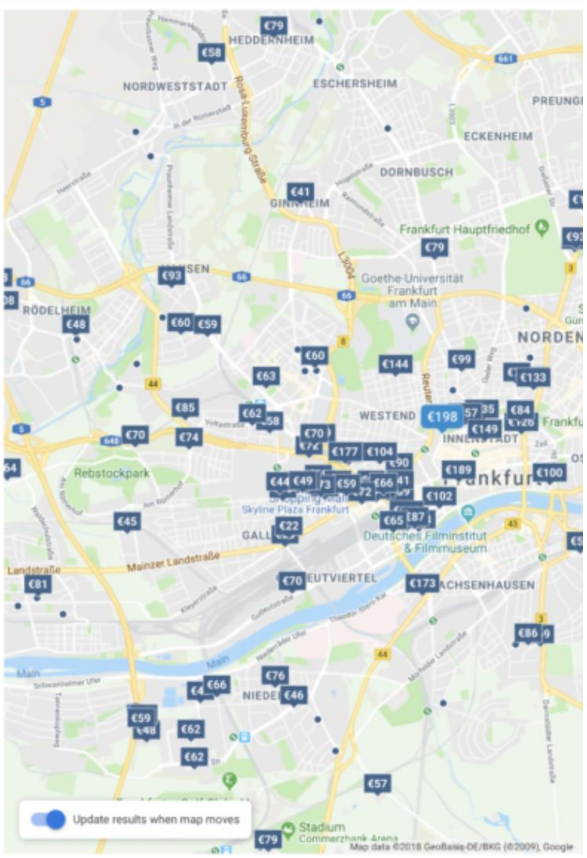


€62

Brighella
4.6 ★★★★★ (60)
Refined Italian eatery with a terrace, plus modern rooms, a wine shop & free breakfast.

Track hotel prices

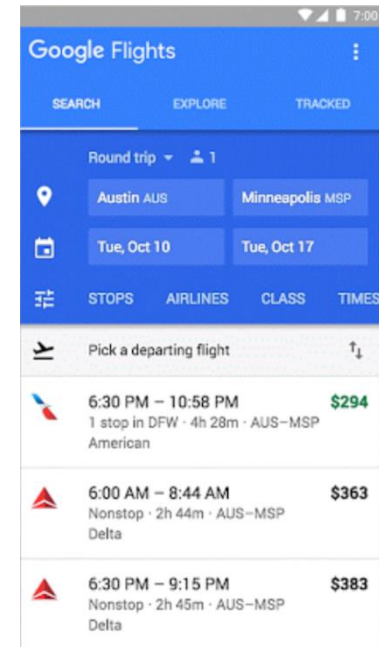
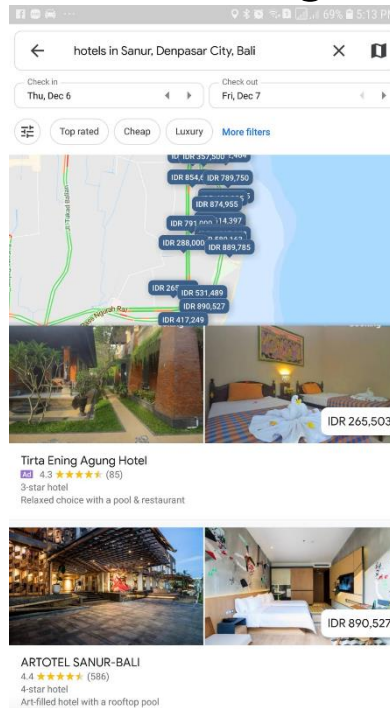
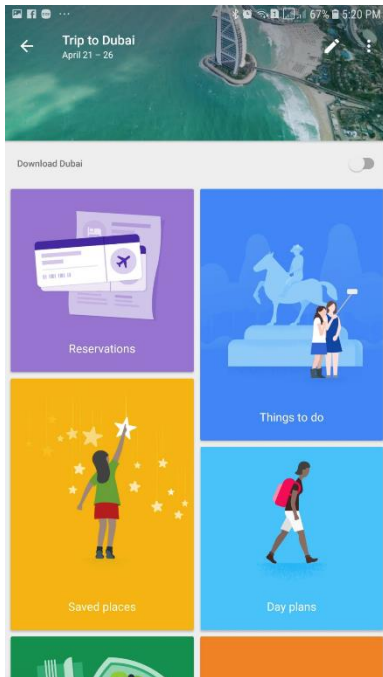
Follow the lowest rates for Nov 18-19 and receive price alerts and travel tips by email



What else is Google Up to?



- Acquiring more eyeballs and screen time to show travel ads one – Trips, Maps, Travel/Flights



How do I get on Google?



- SEO Mobile Optimised website
- Google Business Listing
- CRS/Booking Engine linked to Google Hotel Finder
- Don't forget the other meta search channels like Trivago, Trip Advisor, Agoda ;-) etc.

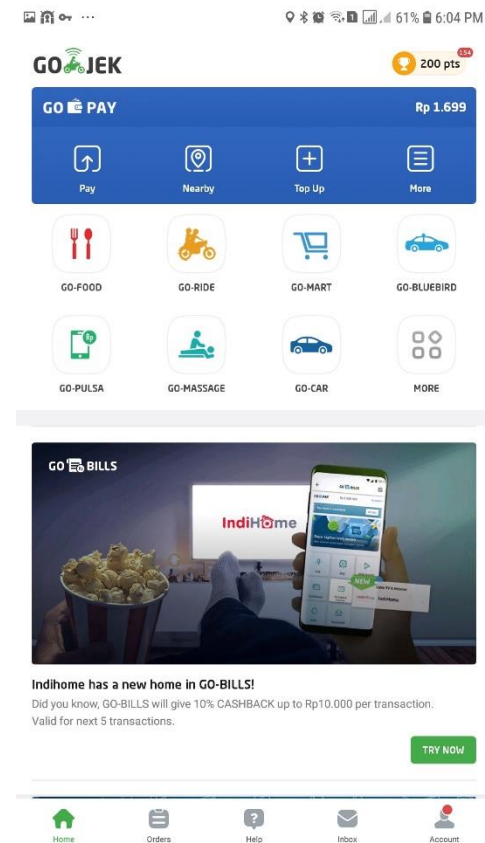
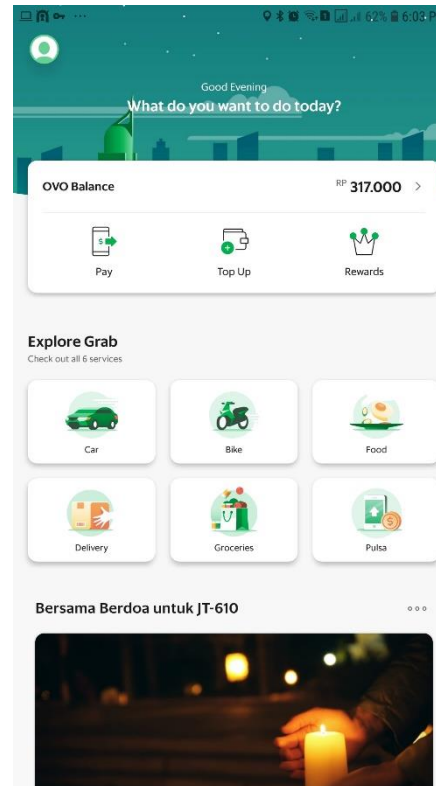
Here come the Market Place Apps

WeChat
MiniPrograms

LINE
Travel.JP

Grab

Go-Jek



In Summary

- Direct isn't Dead and never will be.
- Bedbanks are helpful, but should still be watched closely (like OTAs)
- Keep your channels diverse so you don't become dependent on any one source.
- Revenue management isn't just pricing, but also about source management.
- Mobile Mobile Mobile (This includes mobile local payment support)
- Get Private Sales or Member sales on your website now.
- Make sure you have a channel manager that can connect to the channels relevant to your market.

Want to learn more?

**Low-priced, online
courses on revenue
management,
distribution, pricing,
strategy, and more**



www.hsmaiacademy.org