



MINOR
HOTELS

No Vacancy: Analysing the REAL Acquisition Cost Per Channel

A typical Google Ad campaign report:

"Great news Matt, we've returned 11.25 ROAS"

Conv.



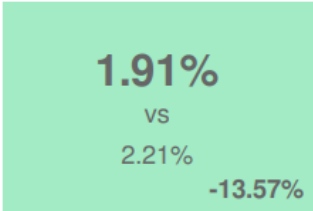
Revenue(AUD)



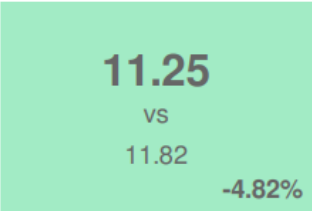
CPC(AUD)



Conv. Rate



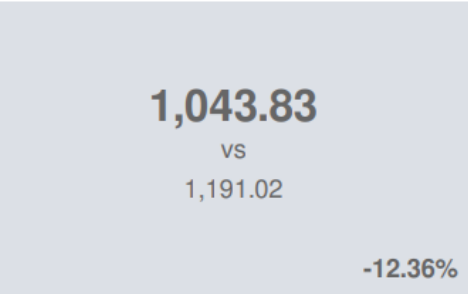
ROAS



Clicks



Cost(AUD)



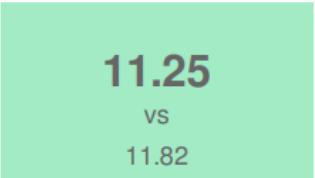
Avg. Conv. Value (AUD)	1,173.98	vs	1,083.09	8.39%
CPA (AUD)	104.38	vs	91.62	13.93%
CPA Ratio	8.89%	vs	8.46%	5.08%
Qty	-	vs	-	-
View Through Conv.	1.00	vs	4.00	-75%
VTC Revenue	703.00	vs	5,056.00	-86.1%
Overall ROAS (Inc. VTC Revenue)	11.92	vs	16.07	-25.82%

Is that good?

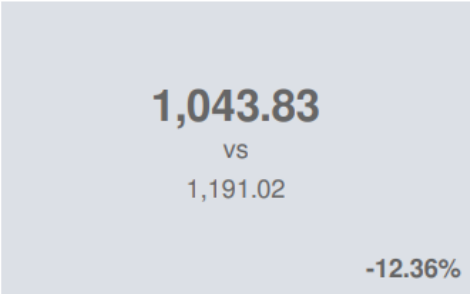
Revenue_(AUD)



ROAS



Cost_(AUD)



How do we compare that to the acquisition cost of other channels?

15% Commission

Booking.com

\$5 Per Click

trivago®

20% Discount Rate

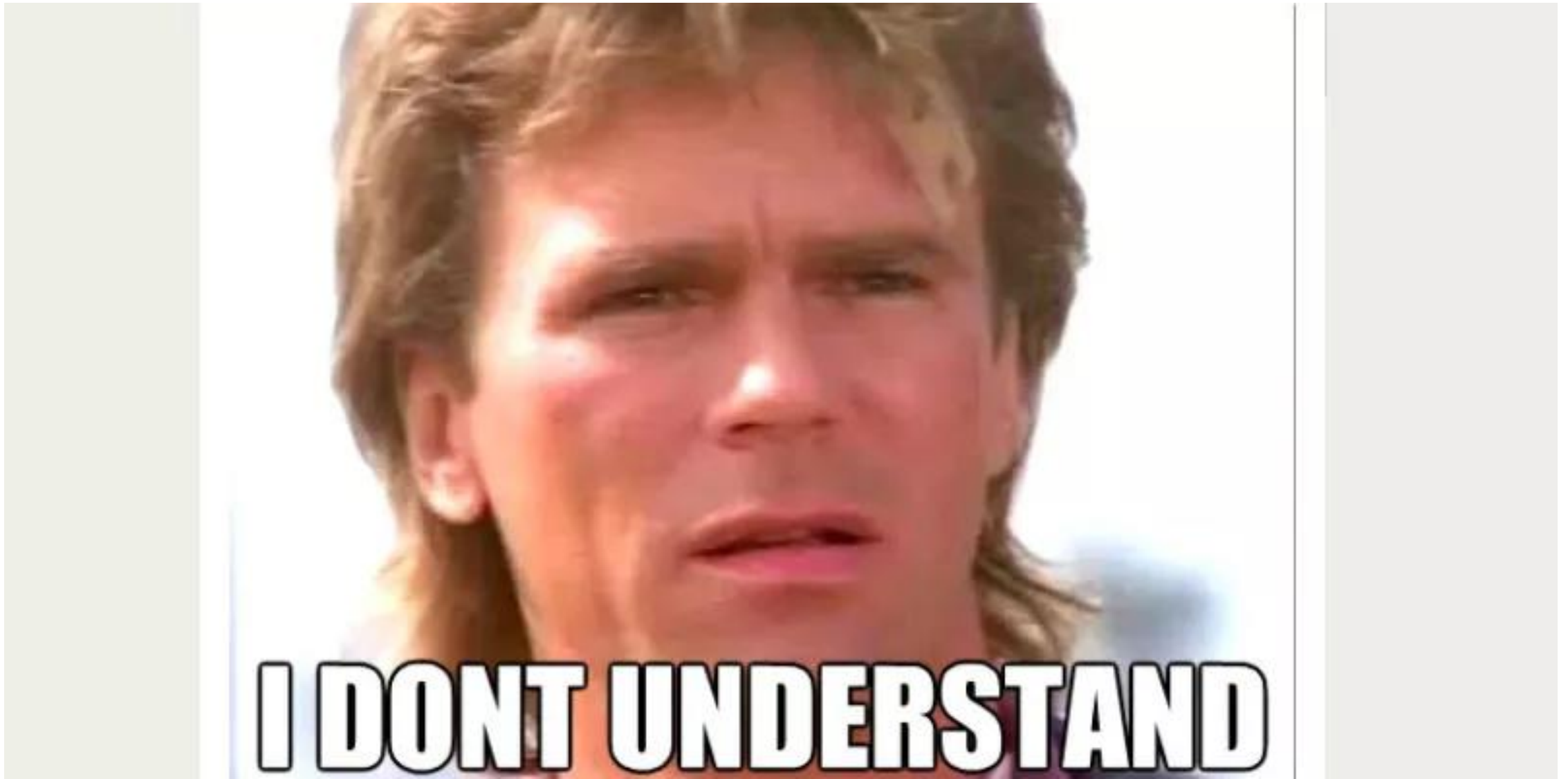
**FLIGHT
CENTRE®**

15% Commission +
\$2 Per Click


Expedia®

ROAS

11.25
vs
11.82

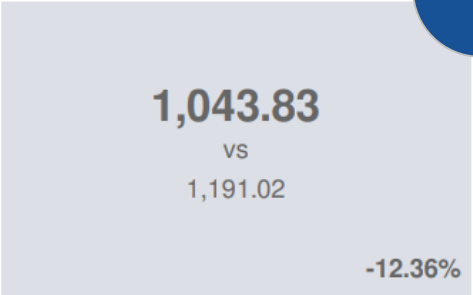


Let's turn 11.25 into a 'commission'

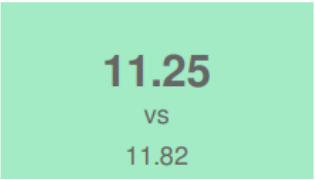
Revenue(AUD)



Cost(AUD)



ROAS



If I spend \$1, I get \$11 back.
So how much would I need to spend to get \$100 back?

Is that good? Let's turn 11.25 into a 'commission'

Revenue(AUD)

11,739.76
vs
14,080.20

-16.0%

Cost(AUD)

1,043.83
vs
1,191.02

-12.36%

ROAS

11.25
vs
11.82

\$100 divided by 11 = 9.09

If I spend \$9.09 on an 11:1 return
I get \$100 back.

This is equivalent to a 9.09% commission.



How do we compare that to the acquisition cost of other channels?



ROAS

11.25
vs
11.82

How do we compare that to the acquisition cost of other channels?



Is a discount the same as a commission?

20% Discount Rate

**FLIGHT
CENTRE®**

Is a discount the same as a commission?

Not really.
It's a discount on the rate.

20% Discount Rate

**FLIGHT
CENTRE®**

How it breaks down

	FLIGHT CENTRE	BOOKING.COM	TRIVAGO	EXPEDIA	GOOGLE ADS
Rate	\$100	\$100	\$100	\$100	\$100
Cost Per Acquisition			-10%	-10%	-9%
Commission		-15%		-15%	
Discount	-20%				
We Make Bank	\$80	\$85	\$90	\$75	\$91

DIRECT IS BEST
BABY!

DER. I KNEW THAT.



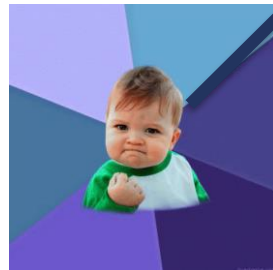




How it breaks down

	FLIGHT CENTRE	BOOKING.COM	TRIVAGO	EXPEDIA	GOOGLE ADS
Rate	\$100	\$100	\$100	\$100	\$100
Cost Per Acquisition			-10%	-10%	-9%
Commission		-15%		-15%	
Discount	-20%		-10%		-10%
We Make Bank	\$80	\$85	\$80	\$75	\$81

WTF?
OTA WINS!
OMG.



Next Level – not all rates are created equal...

WE UPSOLD A
ROOM TYPE

	FLIGHT CENTRE	BOOKING.COM	TRIVAGO	EXPEDIA	GO
Rate	\$100	\$90	\$120	\$90	\$120
Cost Per Acquisition			-10%	-10%	-9%
Commission		-15%		-15%	
Discount	-20%		-10%		-10%
We Make Bank	\$80	\$76.50	\$96	\$67.50	\$109.20

Next Level – lifetime customer value...

	FLIGHT CENTRE	BOOKING.COM	TRIVAGO	EXPEDIA	GO
Rate	\$100	\$90		\$90	\$120
Cost Per Acquisition				9%	-9%
Commission		-15%		15%	
Discount	-20%				-10%
We Make Bank	\$80	\$76.50	\$96	\$67.50	\$109.20

WE UPSOLD A ROOM TYPE

HOW MUCH WILL THEY SPEND ON THEIR NEXT 10 VISITS OVER THREE YEARS?

Next Level – influence of OTAs on direct booking behaviour...

	FLIGHT CENTRE	BOOKING.COM	TRIVAGO	EXPEDIA	GO
Rate	\$100	\$90		\$90	
Cost Per Acquisition				9%	
Commission		-15%		10%	
Discount	-20%				
We Make Bank	\$80	\$76.50	\$96	\$67.50	\$109.20

WE UPSOLD A ROOM TYPE

HOW MUCH WILL THEY SPEND ON THEIR NEXT 10 VISITS OVER THREE YEARS?

WOULD THEY HAVE SEARCHED FOR YOUR HOTEL IF THEY DIDN'T SEE IT ON EXPEDIA FIRST?

Types of Headaches

Migraine



Hypertension



Stress



**Calculating the causal
effect of OTA exposure
on brand.com bookings**



GOOD LUCK

MINOR
HOTELS


ANANTARA
HOTELS • RESORTS • SPAS

AVANI
Hotels & Resorts


erawana
COLLECTION


OAKS
HOTELS • RESORTS • SUITES


NH
HOTELS


NH COLLECTION
HOTELS

nhow
HOTELS

TIVOLI
HOTELS & RESORTS