

Three Key Success Factors for an Independent Hotel's Website

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The hidden reality: most hotel websites do not generate enough business

GuestCentric recently conducted a survey of over 300 hoteliers in North America, and the results were quite telling: while 84% of all hoteliers ranked their online strategy as important or very important, and 86% stated that they were happy or very happy with their official website, their main concern was that almost all hotel managers felt that their website did not generate enough business. This should come as no surprise, as **only a staggering 14% pursued a structured online strategy!**

This article tackles the issue of how independent hotels should create a structured online strategy to ensure e-commerce success for their official websites.

The online opportunity for Independents

Many industry studies show that the overwhelming majority of travelers (up to 80%) make their hotel selections and over 50% end up booking online and that 82% of those would prefer to book directly at the website of the hotel if they can get the best price and a trustworthy experience.

If you tie these results with the fact that online bookings are the only growth market in hospitality in 2009/10, then it is clear that Independent hotels that provide their guests with a sub-standard online experience need to quickly upgrade their offerings to capitalize on the online opportunity. A strong e-commerce offering will enable Independent hotels to maintain their occupancy rates and decrease distribution costs through direct online bookings.

What is a successful hotel website?

A successful hotel website is a website that maximizes its economic value to the hotel, i.e. it maximizes the number of e-commerce transactions, be they bookings or contacts. Our experience at GuestCentric shows us that **even if you are a small independent hotel, you should be getting at least \$30,000 from your website per year**; successful resorts can get \$500,000 or more from their official website. If you are not experiencing these numbers, this article should help you answer why.

E-commerce strategy: basis for success

To maximize the economic value of your website, you should pursue a structured e-commerce strategy. A successful e-commerce strategy relies on three key factors:

1. Your website's **visibility**
2. Your website's **sales focus**
3. The **bookable offers** you promote on your website

If your website performs well on all these three dimensions, then it will generate a fair amount of reservations and the revenue will just be a factor of your ADR and your average stay in number of nights. So, the higher the ADR and the longer the average stay on your property, the easier it will be to justify the investment in a structured e-commerce strategy.

The issue is that **your website needs to perform well on all three dimensions**. If one of them fails, no matter how much you invest in the other two, you will not experience good results. Hence, stay away from one-off efforts and focus your attention on a structured e-commerce strategy.

Website visibility: where it all starts

Online visibility of your hotel is determined by lots of factors: your website's Google ranking, your presence in online channels, back-links from your website, how much you promote your website with Google, Yahoo or meta-search engines like Kayak. First thing is to assess your current level of visibility.

Start with how many visitors are coming to your website every month:

- Do you really know how many visitors are coming to your website on a monthly basis?
- Are you able to distill where your visitors are coming from?
- What information interests them?
- Do you have any sort of website analytics software that provides you with detailed reporting?

Knowing is the best place to start. If you are getting 2,000 visitors a month, then you are experiencing the typical level of visibility of a small hotel in a secondary market. Is that enough? Should you be getting more?

As important as the quantity is the quality of the visitors. You may be getting lots of visitors, but the wrong kind of visitors. If your hotel is called "Rainforest Hotel" and there is a "Rainforest Restaurant" in your neighborhood, many people looking for the restaurant may end up at your hotel's website. What then?

Website sales focus: the conduit to success

The second indicator of your e-commerce success is how sales-oriented is your website. A sales-oriented website is a good way to filter out “bad” visitors and to incent “good” visitors to book . The questions to ask about your website are:

- Is the website design representative of your property and the experience you sell?
- Is the website navigation easy and what the visitor expects in a hotel website? Do you keep visitors on your website or are you incenting them to navigate away from your property?
- Is the website a “brochure” or is there an actionable sales/book/contact message?
- Do you provide trust mechanisms to the visitor, e.g. do you embrace your TripAdvisor reviews?
- How many visitors are looking for rates and availability?
- Can you launch special offers without a 3rd party intervention? How can you react to demand changes?

But, a sales-oriented website will have no results if it has no bookable offers.

Bookable offers: the ultimate goal

No website can be a “sales machine” if there is nothing to sell, the product is not competitive, or it is displayed in a bad light. So start by ensuring that you have an attractive display of your offers on your website. Guests are time-starved and want to take care of reservations quickly. You should ask yourself these questions:

- Are the offers on the website easy to choose and book? How many clicks does it take to book a room?
- Is there an availability overview? Do you ensure visitors are not wasting their and your time asking for dates that are unavailable or offers that are out of their budget?
- Visitors are well informed and will not book if they can get a better price somewhere else. Do you provide any sort of best rate guarantee? Do you ensure that the rates on your site are the best available online? How do you enforce rate parity with other distribution channels?
- Do you have a booking engine? If yes, is it trustworthy? Is it secure and displays security seals from trusted technology vendors like Verisign and McAfee?
- Are your offers relevant to your prospective customers?
- Is your offering competitive in your region? Do you have the tools to react if a competitor changes their prices or launches a promotion?

So, now you have bookable offers, but are you getting enough visitors? The cycle closes....

Expected results

When all three criteria are optimized, you should experience good e-commerce results. For your reference I will provide with two scenarios that we face often in our customer base:

- 1- **Low volume hotel in a secondary market:** \$33,600 annual revenue generated from website
 - 2,000 visitors per month
 - 11 reservations, 10 direct contacts
 - Average reservation: \$200 (\$100 ADR x 2 nights average stay)
- 2- **High volume seasonal resort:** \$457,200 annual revenue generated from website
 - 15,000 visitors per month
 - 80 reservations, 40 direct contacts
 - Average reservation: \$270 (\$90 ADR x 3 nights average stay)

Conclusion: First step for e-commerce optimization

As you can infer from the three key criteria identified above, you need to have all three criteria aligned before you can expect good e-commerce results. The point is that there is no value in wasting marketing dollars with Google or a Search Engine Optimization company if your website is not sales oriented; you will end up with lots of visitors, but no results. Similarly, there is no point in redoing your website design and installing the best booking engine in the World if you do not pursue a strategy to get visitors to your site.

So, my recommendation would be that before you start spending money with any vendor, **you assess where you are on all three criteria: visibility, sales orientation and bookable offers.** Take a look at the questions above, answer them with TERRIBLE, BAD, GOOD and EXCELLENT and jot down your answers. Force yourself to choose between GOOD and BAD and stay away from “OK” as that answer tends to dilute the reality of your website. Your website is valuable: doing this assessment will be the first step to maximize the economic value of your website.

Bio

Pedro co-founded GuestCentric Systems in October 2006 and has served as President and CEO since. Pedro brings extensive experience in the networking and software industries to his role. Pedro has a proven track record of driving successful product development, marketing, sales and channel management efforts in the global market.

Prior to founding GuestCentric, Pedro was Vice President of Product Management and Marketing at Corvil, an Ireland based software start-up funded by Apax Partners and Cisco Systems. During his tenure at Corvil he built a global Product Management and Marketing organization to support a sales team of over 60 professionals. Before joining Corvil, Pedro was Vice President of Marketing and Business Development for Expand Networks, a leading vendor of application traffic management solutions based in New Jersey from where he managed the company's marketing and business development activities on all six continents. From 1999 to 2001, Pedro was Director of Product Management and Marketing for Unisphere Networks a Boston startup, where he was responsible for developing and managing the market strategy for next-generation IP voice products including network and service management. Prior to Unisphere, Pedro worked 7 years for the information and communications division of Siemens where he held increasingly senior roles in product management and product development at offices in Germany and the United States.

Pedro holds a bachelors degree in Electrotechnical and Computer Systems Engineering from the Instituto Superior Tecnico in Lisbon, Portugal and studied towards an MBA at the Florida Atlantic University in Boca Raton, Florida