

HeBS

Hospitality
eBusiness
Strategies

Your Hotel's 2002 Cyber-Resolutions

The Internet can be your best ally in the present travel and economic downturn. | By Max Starkov and Jason Price

How can hoteliers deal successfully with today's challenges and emerge as winners from the present travel and economic downturn? Smith Travel Research forecasts full-year 2001 U.S. hotel occupancy at 60.7%, down 4.7 percent from last year. RevPAR for the year is expected to be down 4.3 percent and ADR to be at 2000 level or lower. PricewaterhouseCoopers categorizes this as "the worst performance in 33 years."

The Internet can be your best ally--your eDistribution strategy can play a major role in softening the disastrous effects of the recent events and the economic slump and will, over longer-term, define the winners in these trying times.

Why eDistribution? And why right now? First of all, eDistribution is by far the lowest cost channel of distribution. Used properly it increases occupancy rates, improves the bottom line, opens new markets and attracts more affluent customers in these difficult times. The booking engine on the hotel website is a good starting point for any eDistribution strategy. But hoteliers should remember that this is only a small part of what eDistribution is all about.

Did you know? Over 162 million Americans are active Internet users (Nielsen) and 37 million of them have already purchased travel online. The online travel bookings exceeded \$23B in 2001 and are expected to reach \$63B by 2005. The average online traveler comes from a household that earns \$72,000 (Forrester Research) and can afford to travel even in the current situation. All business travelers are savvy Internet users. Aren't these exactly the customers you would love to have at your hotel? Hoteliers are beginning to realize that online distribution is changing the "classic" distribution spectrum. Internet-based reservations will triple to 15.4% by 2004 from the current 5.4 percent (Andersen LLP). Five years from now there will be more Internet hotel sales than GDS hotel sales.

Here are just a few questions you should consider with utmost urgency, as part of your hotel's 2002 resolutions:

Did you know that 85% of Internet users rely on search engines to locate information on the Web? (e.g. Yahoo, AltaVista, Google). Did you know most Internet users will not book a hotel that does not offer a real-time booking on its website? Do you know where your hotel is in cyberspace? Is it among the top 40 hotels on the major search engines? Does your website produce more than 6% of your overall bookings? Do you have a real-time booking engine? And if you have a booking engine is it capable of booking in real-time transient, group, corporate rates, preferred rates, special accounts and promotional rates? Do you offer a full array of hotel packages, family packages, and weekend specials on your website? Is your website registered and positioned well on the top 400 search engines? Are you ready for the Mobile Internet and do you offer your savvy travelers a wireless booking service?

eDistribution and its components: hotel website optimization strategy, search engine strategy, online distribution channel strategy, online marketing strategy, etc can help you find answers to all of these important questions and can play a major role in softening the disastrous effects of the terrorist attacks and the economic slump and will, in the longer-term, define the winners in these trying times.

How well is your website working for you? The attached "Quick Evaluation Check List: Your 2002 Hotel Internet ID " can tell you where you stand.