THE HOTELS NETWORK
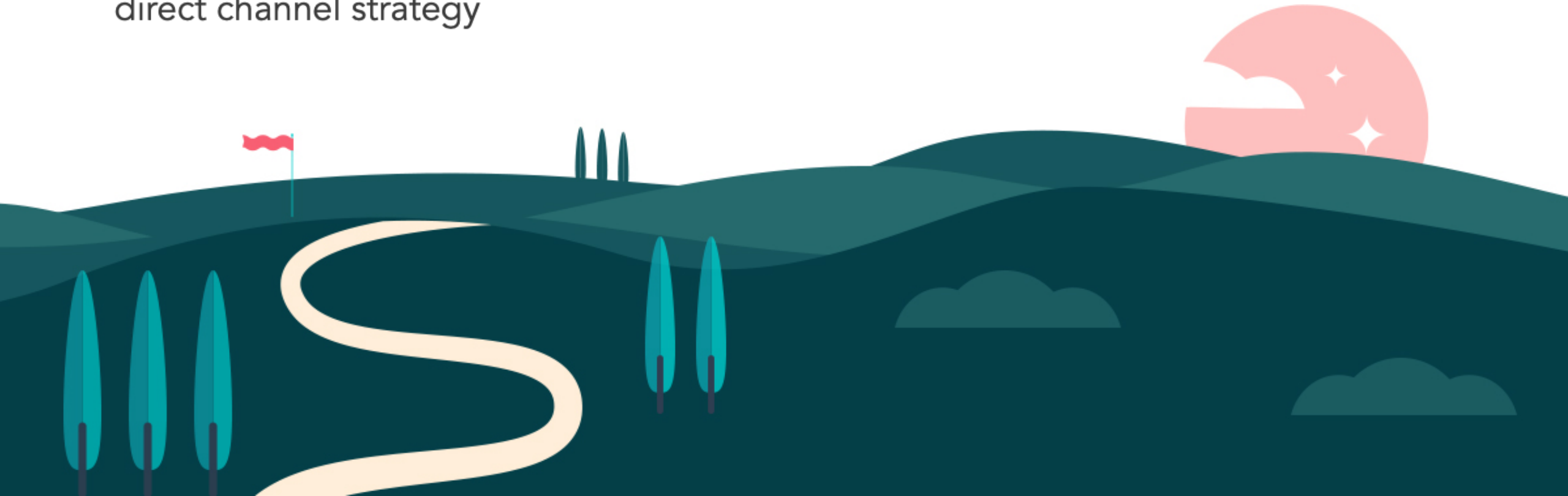
A Benchmarking Journey to Grow Your Direct Bookings

How hotel brands are using BenchDirect™ insights to step up their direct channel strategy

A brand-new approach to hotel benchmarking

Whether you're managing a 5-star luxury property, a chain of budget hotels or a boutique serviced apartment, **benchmarking should be an essential part of your growth strategy**.

Traditional hotel benchmarking, however, tends to be based on occupancy and rates only, giving no visibility on how the end result came to be. At THN, we thought you needed more. We wanted to create **something totally different**, something that would change the rules of game of hotel benchmarking.

That's why we decided to launch BenchDirect™. Read on to discover more about this one-of-a-kind product and how hotels are using the insights to **supercharge their direct booking strategy**.

BenchDirect™

Benchmarking the key metrics of your direct booking channel

BenchDirect™ brings a brand-new dimension to hotel benchmarking by offering the **first benchmarking platform for your hotel's direct channel.**

This interactive analytics platform enables you to **compare your hotel's website performance to the market and competition**, and to use the real-time insights to **make better-informed decisions:**

o   Break down the full booking funnel

o   Pinpoint weak points where you are losing revenue

o   Uncover opportunities to grow your direct bookings

o   Get up to speed with your competitors

A whole host of direct booking metrics to benchmark against

30+ Direct Booking Metrics

Before jumping into hotel use cases, here's a quick overview of the type of insights to be found in BenchDirect.

You can benchmark your performance across **more than 30 key metrics** centered around:

- o Website and booking engine traffic

- o Rates and disparities

- o User profile and behavior

- o Future demand

- o Bookings and pickup

Competitive Sets

Using machine learning to create dynamic compsets, BenchDirect lets you compare you hotel's direct channel performance to the market and competitors:

Brand
Compare each property's performance to the other hotels in your brand

Destination
Compare your hotel with other similar hotels in your destination

THN Network
We select the most similar hotels worldwide, from our network

Unravel the building blocks of an effective direct booking strategy

Within the platform, you can **drill down on the data in real time** to understand exactly what is happening and why.

Choose from a variety of filters to go deeper into the area you want to analyze. Compare performance to past periods, filter by country and device, or choose whatever cross-filter option you want to **get to the level of detail you need**. It's all about getting into the specifics of your hotel's direct channel performance so that you can **take action where it matters most**.

Comparison to past periods

Stay dates

Timeframe: daily, weekly, monthly

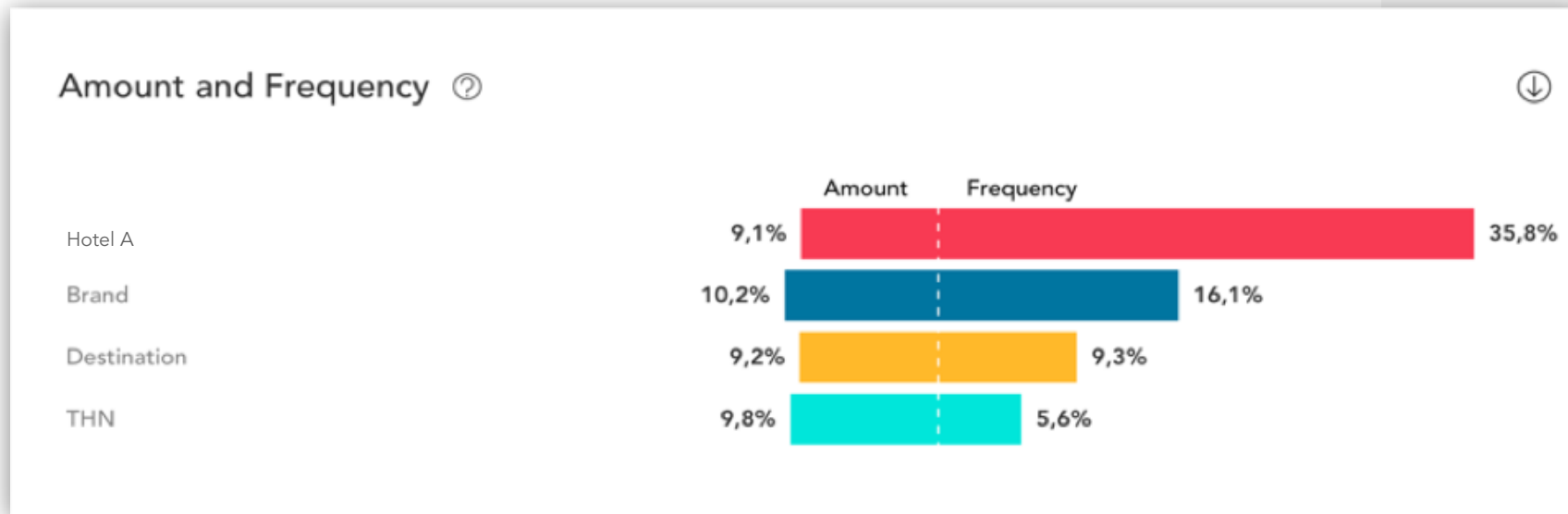Travel party

Device

Visitor country

Use Cases

Spotting opportunities & taking action to grow your direct bookings

Use Case 1
Price Disparities

Observation

Here we are comparing performance in terms of Price Disparities, both the **Amount** (% difference in rate) and **Frequency** (how often the rate is undercut).

Hotel A's rate is being undercut with a higher frequency than all of the other compsets. The issue for the hotel is that users will often be able to find a better rate for the same stay on OTAs or other channels.

Price Disparities

Opportunity

Hotel A could convert more website visitors by decreasing the number of times the hotel's own rates are being undercut.
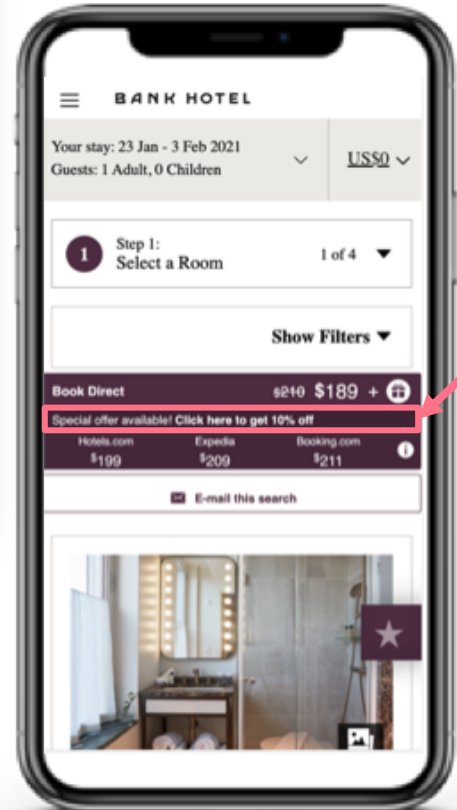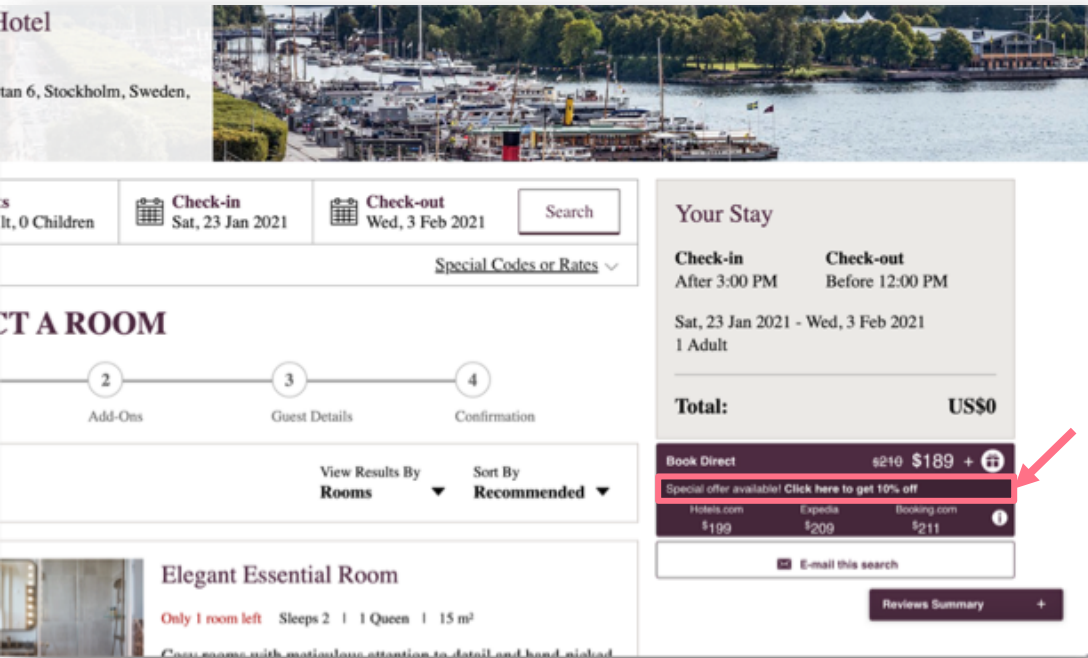
One way to achieve this is by using a rate parity solution. For example, in THN's Disparity Report the hotel can analyze patterns to see what the root cause may be, such as an issue in a particular market or room category. During this period, Hotel A should also find a way to guarantee the best available rate on the website.

OTA	Price Difference	Check In	Check Out	Guests	Rooms	Country	Hotel Price	OTA Price ?	Search Date	Page	Device	Disparity Cause ↓↑
Booking	-1.9%	Thu, 22/04/2021	Sat, 24/04/2021	2 adults	1	Denmark (dk)	1,164 SEK	1,142 SEK	Mon, 18/01/2021, 13:41 *20 hours ago*	Rooms and Rates	Mobile	3rd Party Rate

OTA	Price Difference	Check In	Check Out	Guests	Rooms	Country	Hotel Price	OTA Price ?	Search Date	Page	Device	Disparity Cause
Agoda	-20.9%	Sat, 14/08/2021	Sun, 15/08/2021	2 adults	1	Germany (de)	92€	73€ *Captured: $88*	Mon, 18/01/2021, 12:46 *41 minutes ago*	Rooms and Rates	Mobile	OTA Undercut Hotel Rate

Search

| OTA	Price Difference	Check In	Check Out	Guests ↓↑	Rooms	Country	Hotel Price	OTA Price ?	Search Date	Page	Device	Disparity Cause
Agoda	-9.3%	Fri, 21/05/2021	Mon, 24/05/2021	3 adults / 1 children	1	Germany (de)	268€	243€	Sat, 16/01/2021, 19:42 *2 days ago*	Rooms and Rates	Mobile	OTA Undercut Hotel Rate

Price Disparities

Best Practices

An effective way for Hotel A to fight against price disparities in real time and encourage more direct reservations is by activating Price Match on the booking engine.

With Price Match, whenever a price disparity is detected, the visitor is presented with a discounted rate to match it. With just one click on the special offer link, the discount is automatically applied to combat the lower rate.

Use Case 2
Average Length of Stay

Average Length of Stay Range ⓘ

H

Brand

Destination

THN

0   2   4   6   8
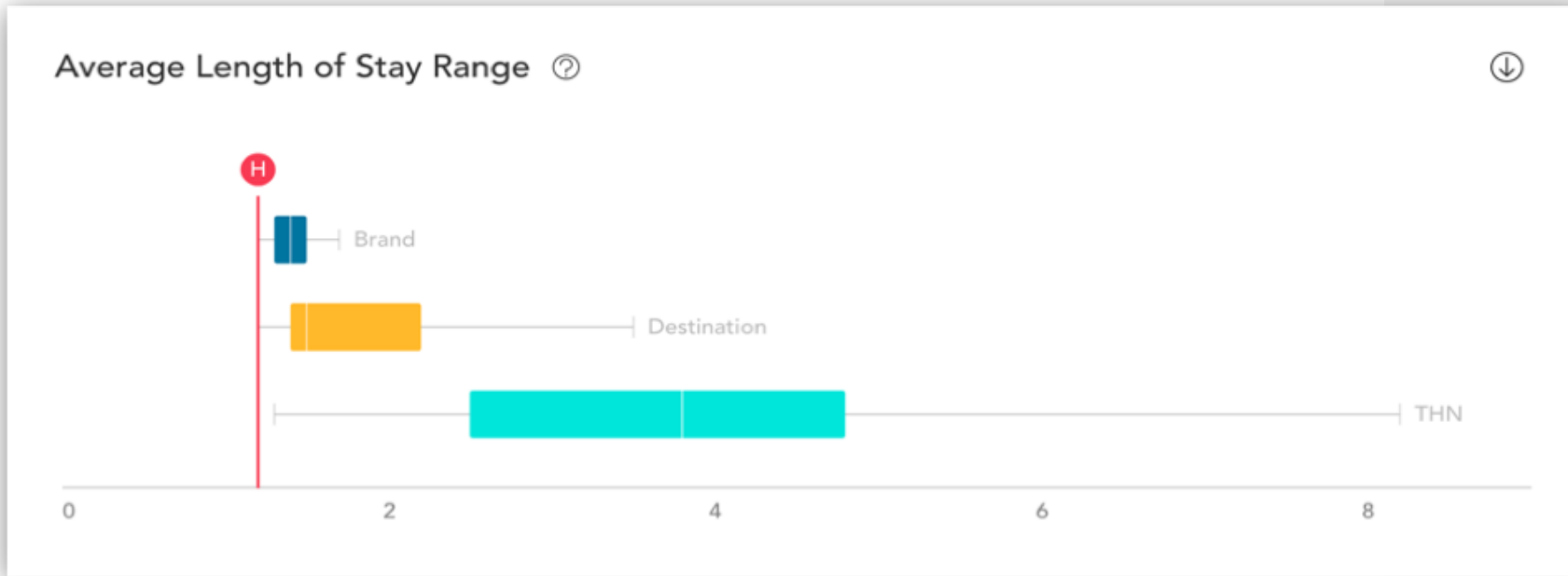
Observation

Represented by the vertical red line in the boxplot graph, we see that Hotel B has the lowest average Length of Stay (LOS) compared to other compsets. It's therefore useful to drill down deeper on the data within BenchDirect™ to understand more.
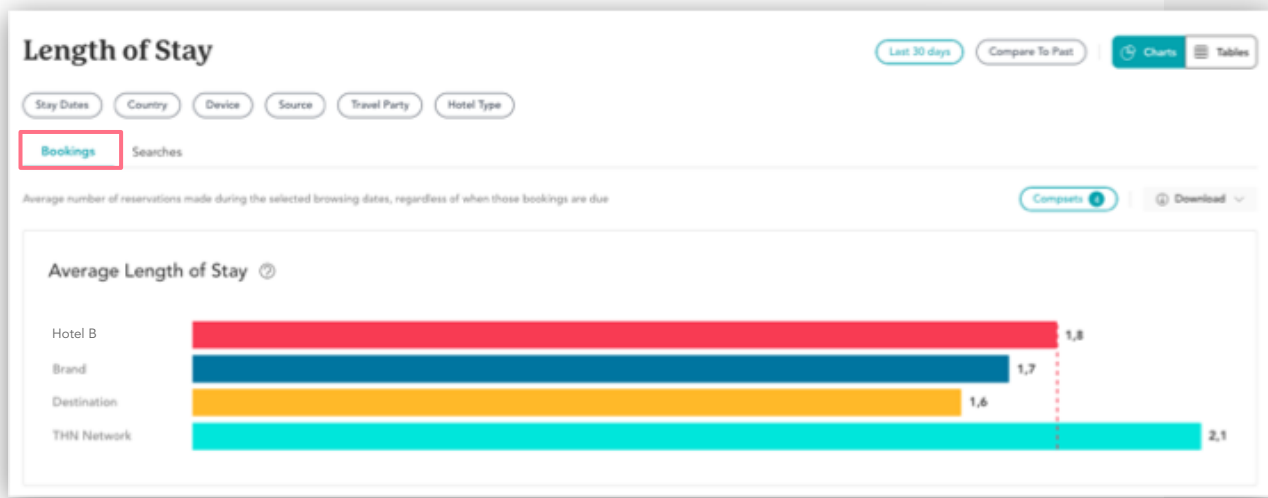
Use Case 2
Average Length of Stay

Graph A

Graph B

Observation

Here we are using the filters to look at the LOS in more detail. Graph A is filtered for LOS of **Searches** made on the website and Graph B for LOS of actual **Bookings**.

Hotel B's LOS for bookings is significantly shorter than the LOS for searches.
In graph A, we see that Hotel B has a higher demand for longer stays compared to other compsets (6.1 nights vs 2.3 nights). However, the hotel is unable to capture these bookings (graph B shows the hotel only has an average of 1.8 nights per stay).

Opportunity

Users are searching for longer than average stays but Hotel B is not managing to covert these into confirmed bookings. There is an opportunity for the hotel to find ways to encourage users to stay for longer when they book their stay.
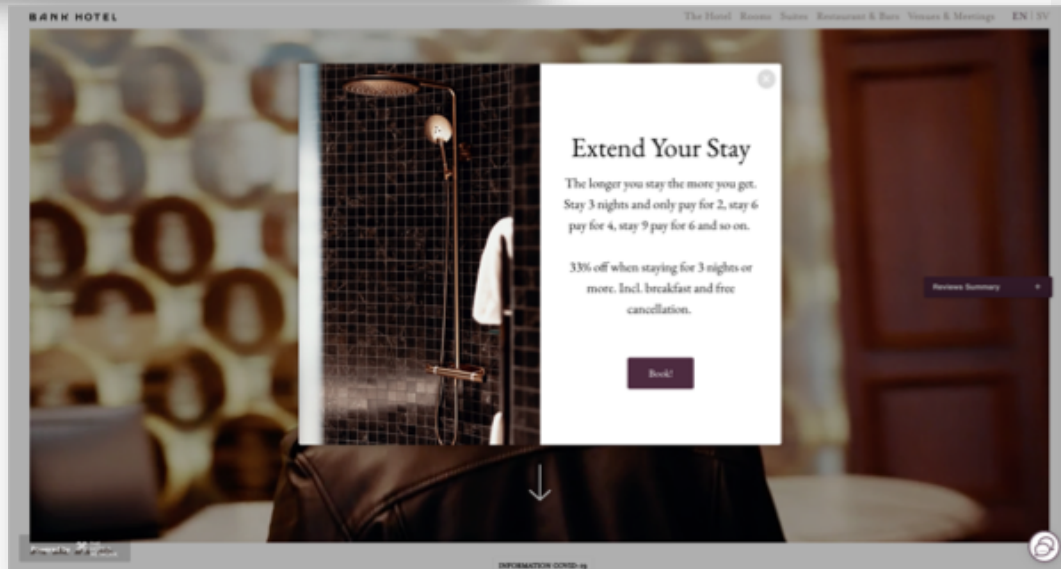
Use Case 2
Average Length of Stay
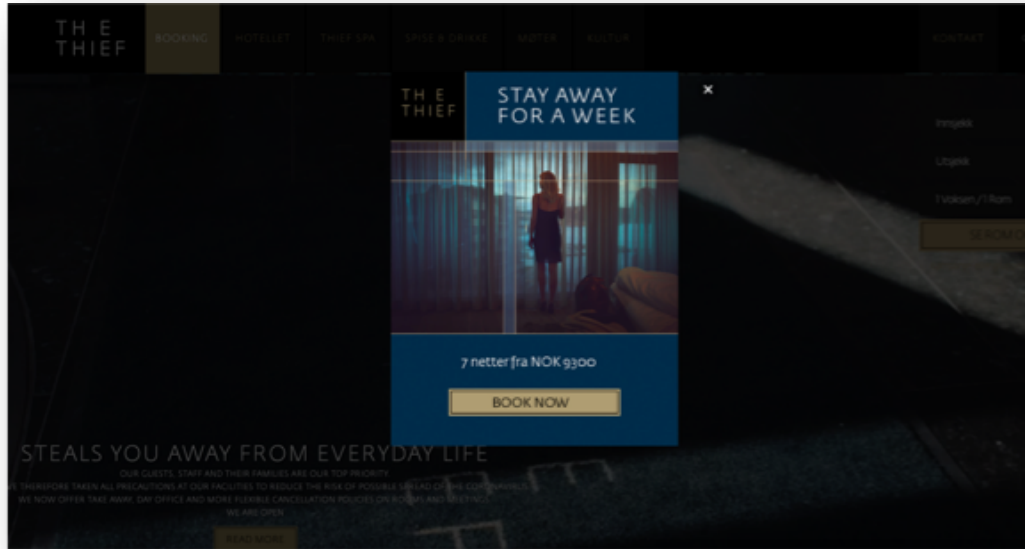
Best Practices

An effective way for Hotel B to convince visitors to extend their stay would be to showcase attractive offers for direct bookings on their website.

Examples of the type of promotions that work well to encourage longer stays are 4x3 nights offer, special rate for stays longer than X nights or exclusive weekend packages.

These can be highlighted on the homepage or on the booking engine. Including a CTA in the message that takes the user directly to the offer ensures a smooth user experience. It's also possible to use targeting rules to tailor the offer for different users.
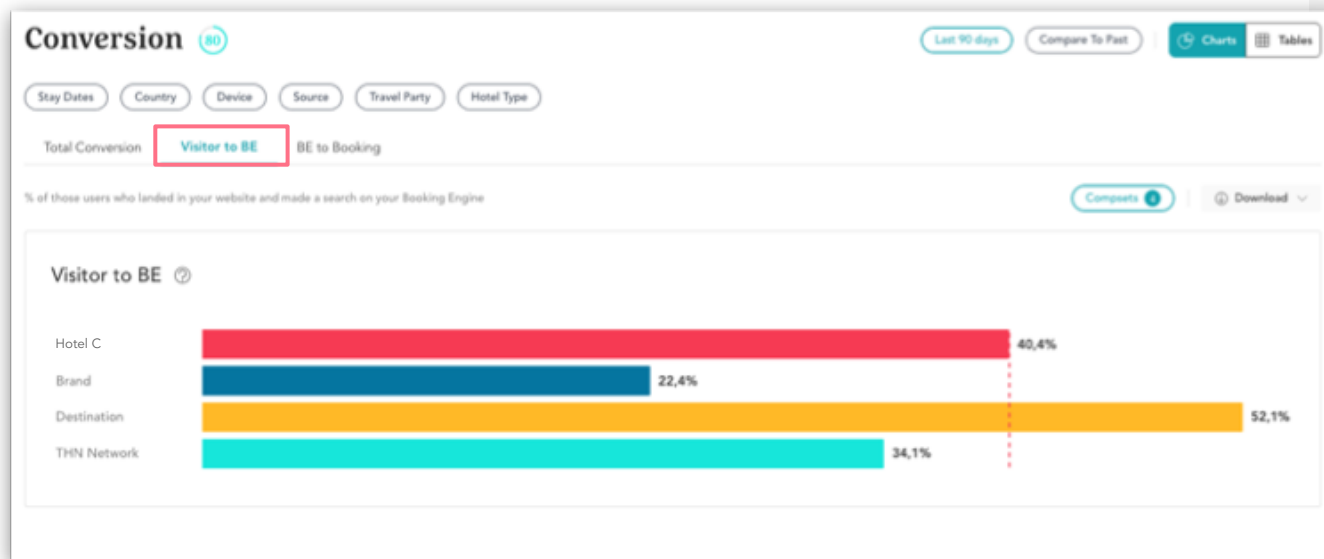
Use Case 3
Visitor to Booking Engine Conversion

Graph A

Graph B

Observation

Here we are viewing the Conversion graphs. Graph A is filtered for Total Conversion rate while Graph B shows Visitor to BE (Booking Engine) Conversion.

Looking at the destination compset, Hotel C's Total Conversion rate is higher but the website is underperforming when it comes to the Visitor to BE Conversion.
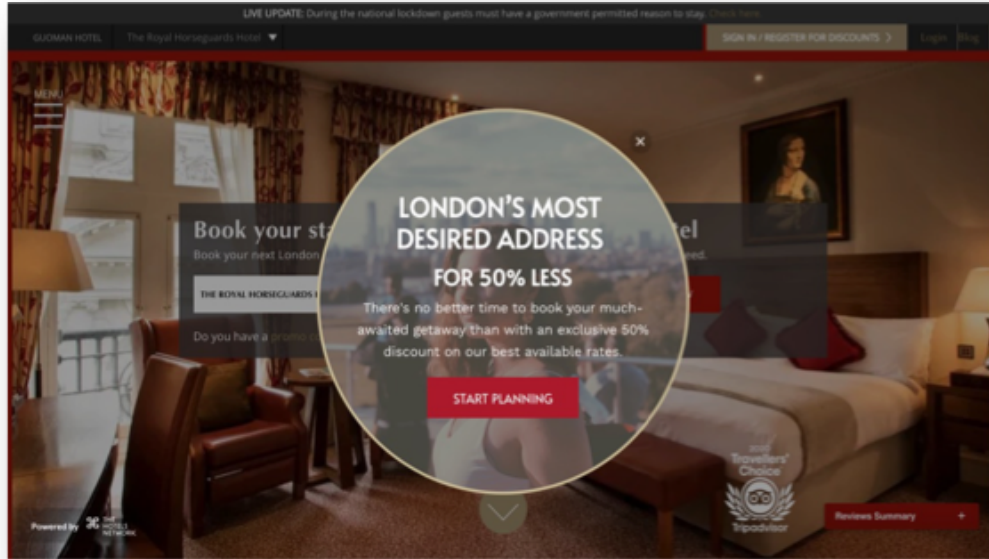
Opportunity

Hotel C is lagging behind in nudging users toward the booking engine.

The hotel has an opportunity to unlock more direct reservations by finding a way to drive more traffic from the homepage to the booking engine.

Use Case 3
Visitor to Booking Engine Conversion

Best Practices

Hotel C should work on improving their website to BE traffic by displaying attractive messages on the homepage with powerful CTAs (call-to-action).

An effective way to do this is by adding a Layer on the homepage highlighting an exclusive offer and including a CTA that takes visitors directly to the BE.
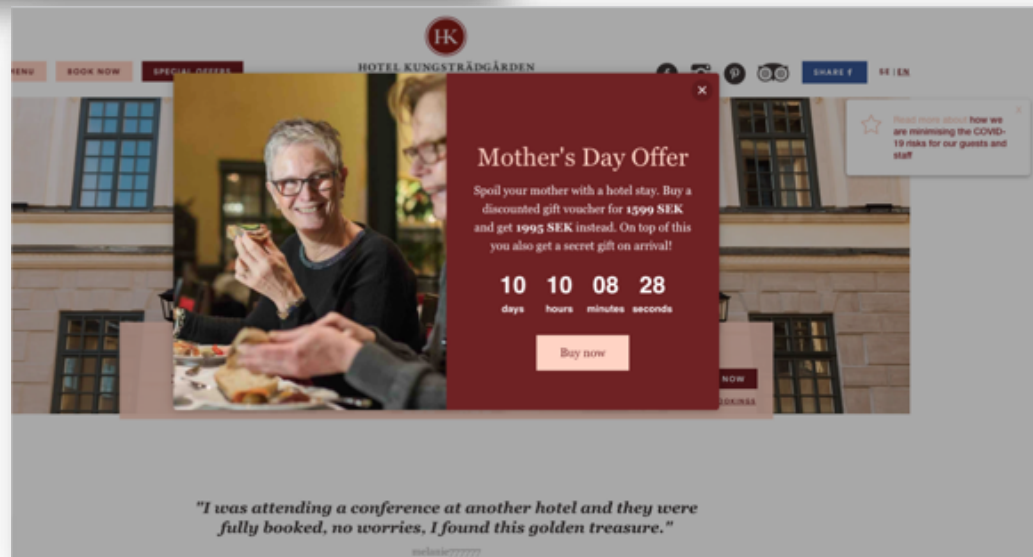
For example, if the visitor is browsing around a key calendar date, the hotel could create an exclusive deal around that special day and include a Countdown Clock with an irresistible CTA. Incorporating these features will help to create a sense of urgency and guide users further down the booking funnel.

Use Case 4
Booking Engine Conversion

Graph A

Graph B

Observation

Here we are viewing the Conversion tab. Graph A is filtered for Total Conversion while Graph B shows BE to Booking Conversion.

Despite Hotel D's Total Conversion rate being better than the brand and destination compsets, the BE Conversion rate is not as good.
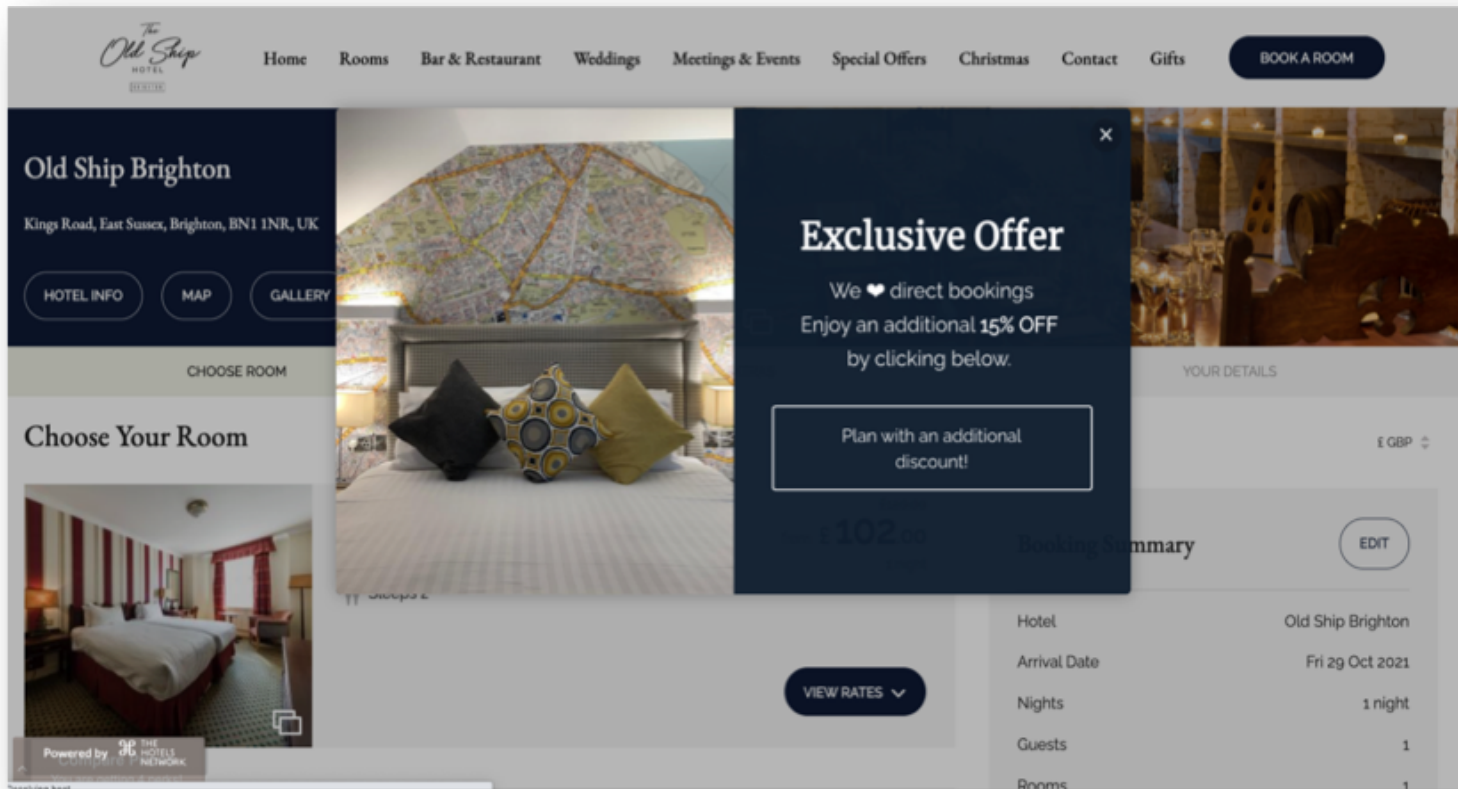
Opportunity

Hotel D is missing out on bookings from potential guests who are dropping off once they arrive on the booking engine.

The hotel has an opportunity to retain more users on the BE and entice them to finalize their booking.

Use Case 4
Booking Engine Conversion

Best Practices

To keep users engaged, Hotel D should communicate effectively throughout the website the hotel's USPs and the benefits for booking direct.

A fantastic way of convincing users to stay on the BE and hopefully complete a reservation is to display an Exit Intent message to users who are about to abandon the website and grab their attention with a highly relevant offer.

By displaying the right message to the right user at key points in the booking funnel, Hotel D will be able to offer a more personalized website experience and capture more direct bookings.
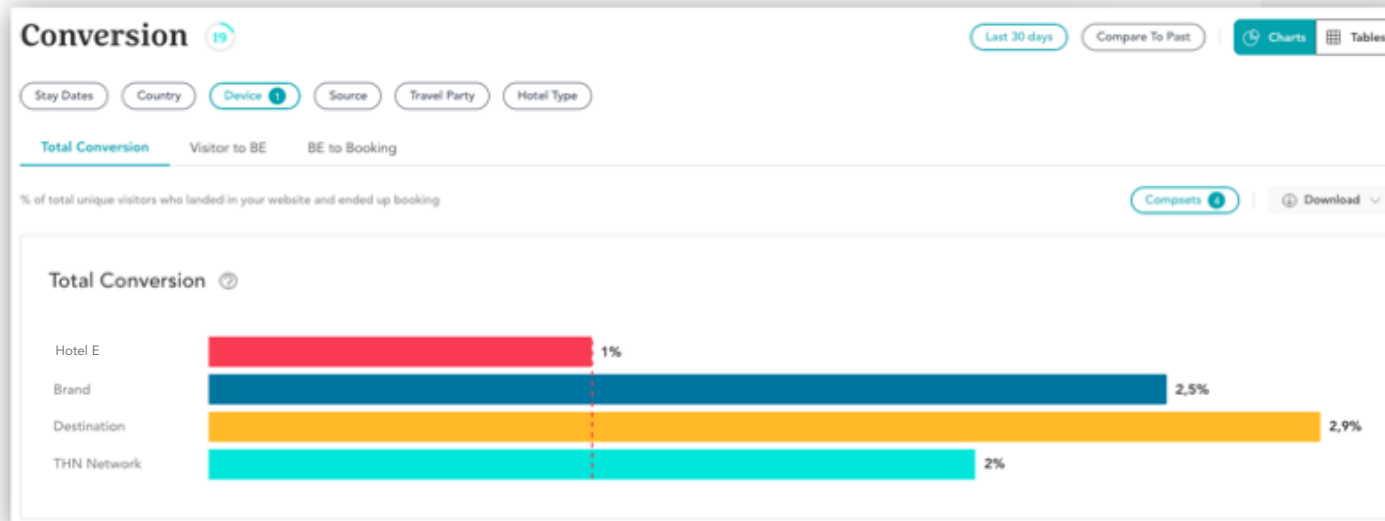
Use Case 5
Performance by Device

Graph A

Graph B

Observation

Here we are looking into the performance by device by crossing the Visitor Profile and Conversion tabs. Graph A provides insights on the number of Visitors by device and Graph B on Total Conversion rate by device.

Compared to the other compsets, Hotel E has a higher percentage of mobile traffic (68.9%). However, the hotel's Total Conversion rate for this traffic is significantly lower than the other compsets.
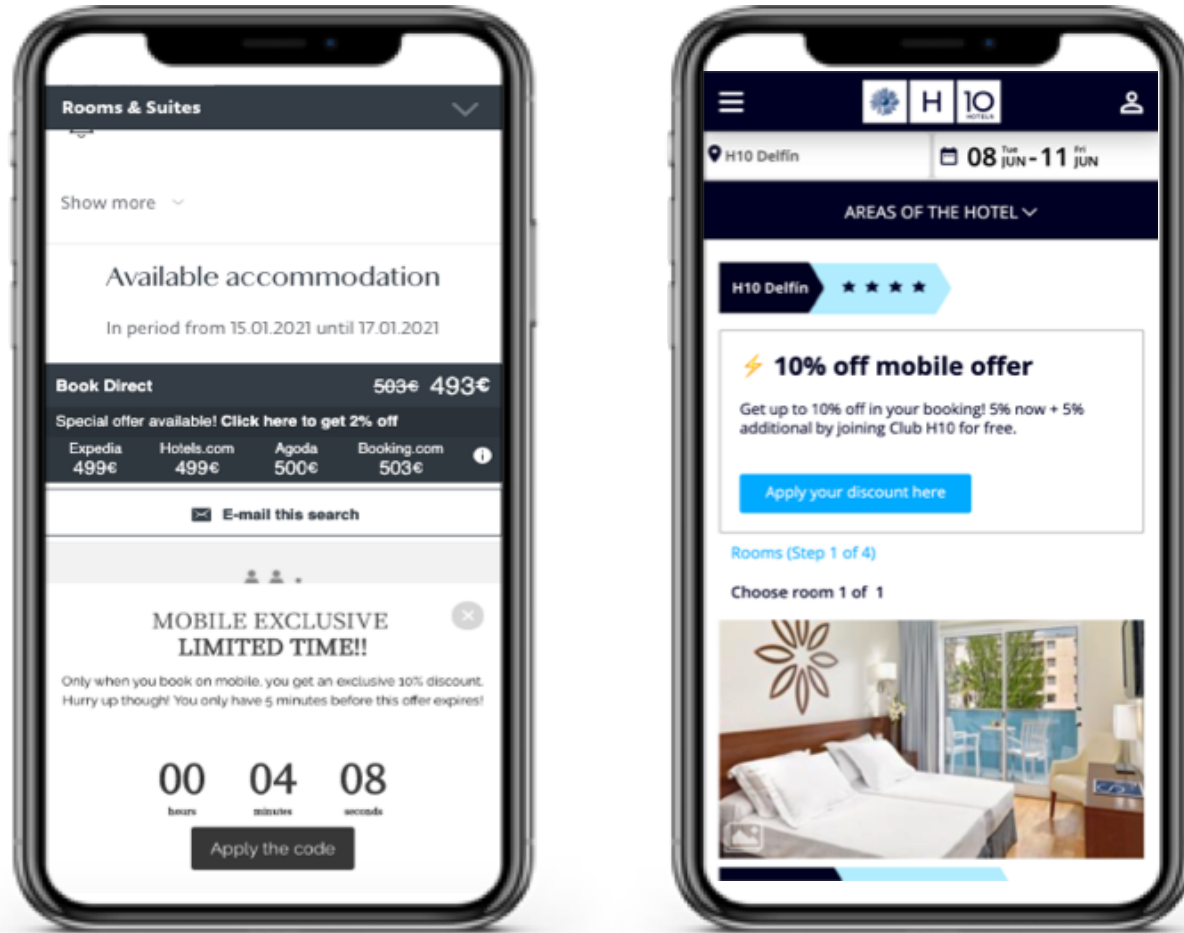
Opportunity

Hotel E is currently unable to convert their high volume of mobile visitors into actual bookers.

The hotel has a major opportunity to increase their revenue by improving the user experience on mobile and using relevant conversion optimization tactics.

Use Case 5
Performance by Device

Best Practices

To improve the conversion rate, Hotel E should create customized messages towards their mobile audience.

A combination of urgency messages with hyper-targeted offers will help to engage these visitors and nudge them down the booking funnel. Creating mobile-exclusive offers are particularly effective for boosting bookings.

On mobile, Inliners with a 1-click promocode work particularly well since these message appear as native content and don't overload the user experience.
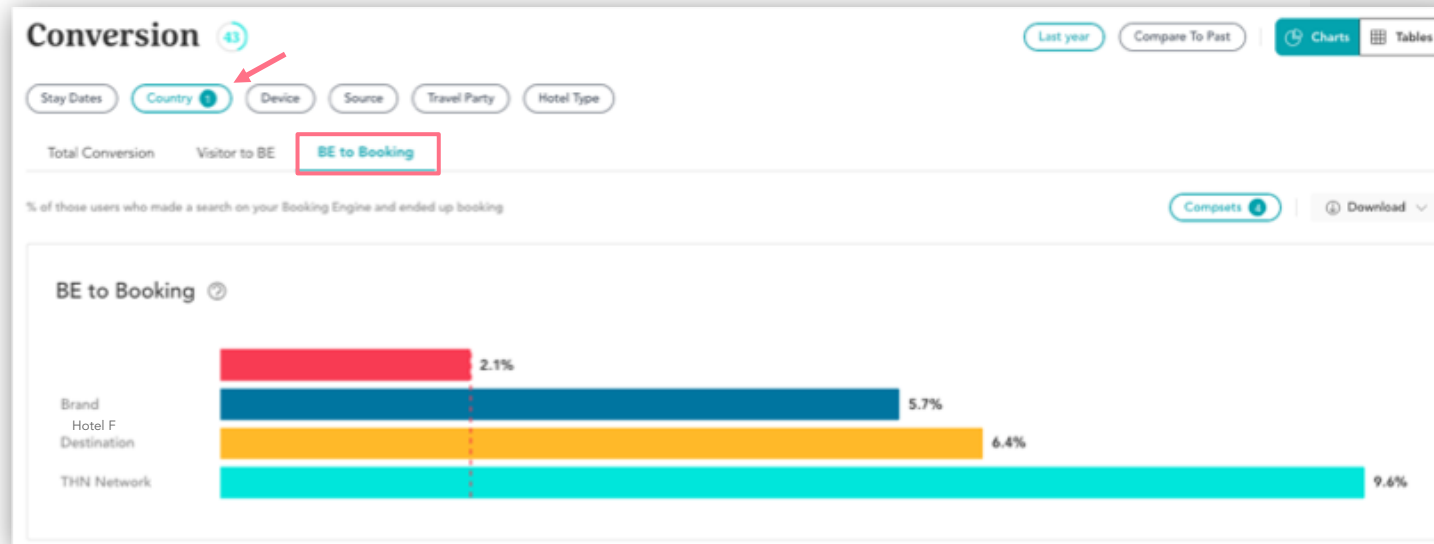
Performance by Visitor Country

Graph A

Graph B

Observation

Here we are crossing Visitor Country Rank and Conversion tabs. Graph A provides information on the distribution of traffic by country and Graph B shows BE to Booking Conversion filtered by country.

Spain is the top traffic source for the Destination compset and the second traffic source for Hotel F. However, the hotel's BE to Booking Conversion rate for traffic from Spain is extremely low.
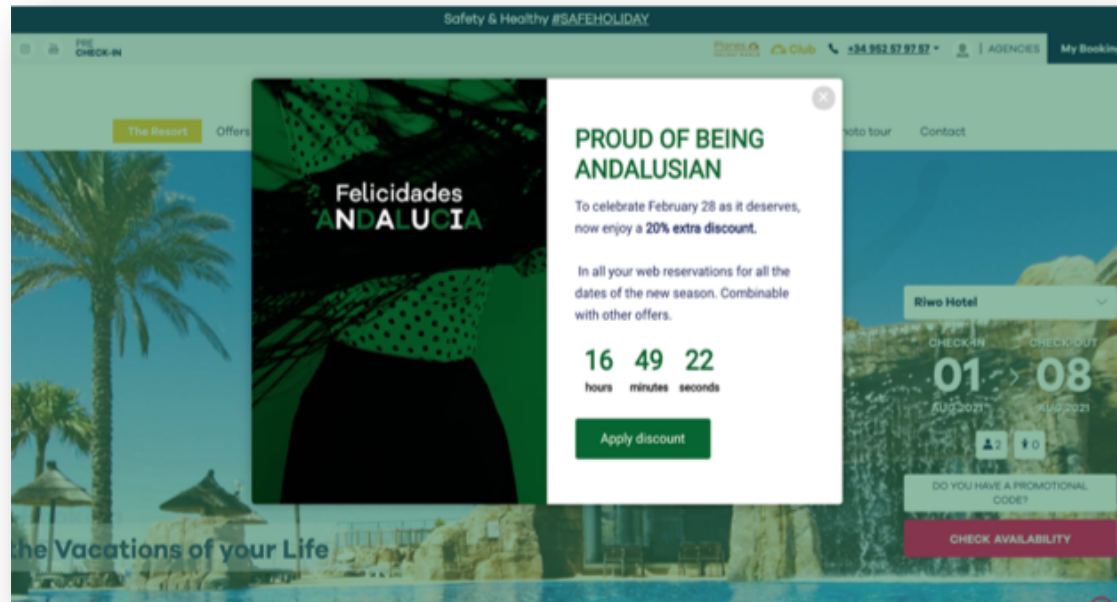
Opportunity

Hotel F is not effective at converting Spanish lookers into bookers.

The hotel has an opportunity to improve communication towards the Spanish market to nudge them down the booking funnel.

Use Case 6
Performance by Visitor Country

Best Practices

To capitalize better on the high volume of traffic from the Spanish market, Hotel F should create personalized messages and offers specifically for Spanish visitors.

Hotel F could create attractive offers for these users and write seductive copy that makes the visitor feel special. What's more, it's possible to create a sense of urgency by displaying time-limited offers and incorporating a Countdown Clock.

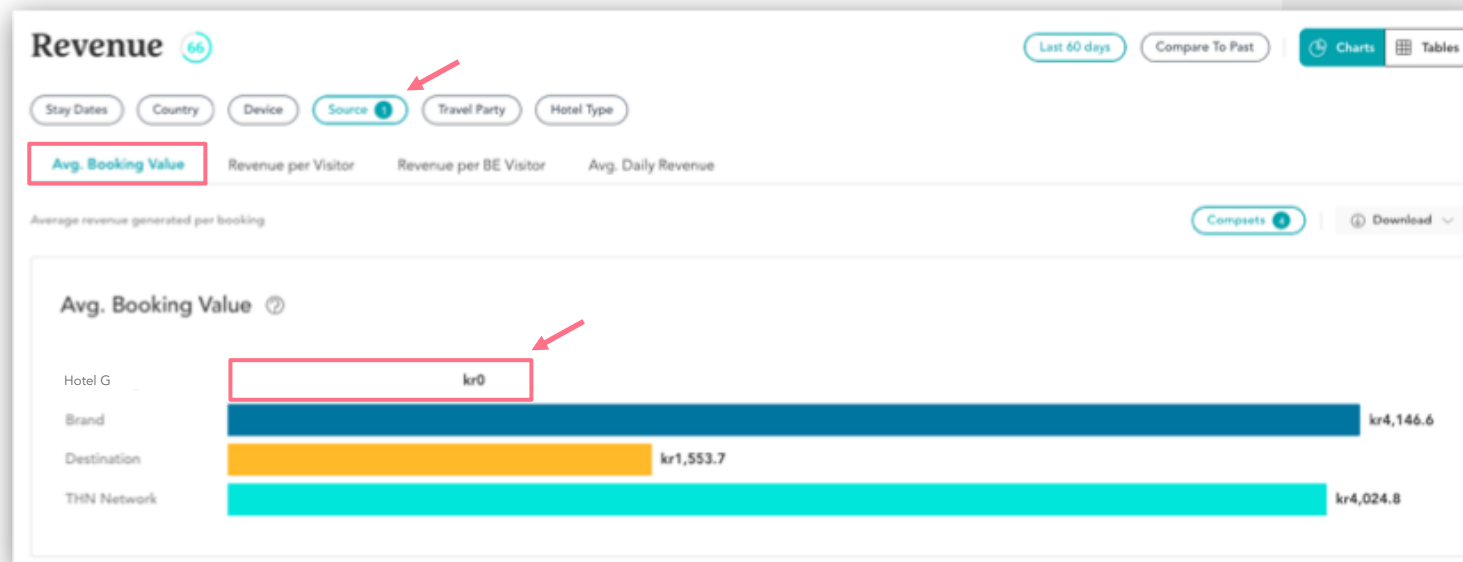By applying targeting rules, the hotel can ensure this message is only shown to the relevant audience.

Performance by Traffic Source

Graph A

Graph B

Observation

Here we are crossing Traffic Source Rank and Revenue tabs. Graph A provides information on the Distribution of Traffic Sources and Graph B on Average booking value filtered by Source (in this case filtered by Social Media).

Hotel G has a higher percentage of traffic coming from social media than the Destination compset, but has no Conversion or Revenue from this source.
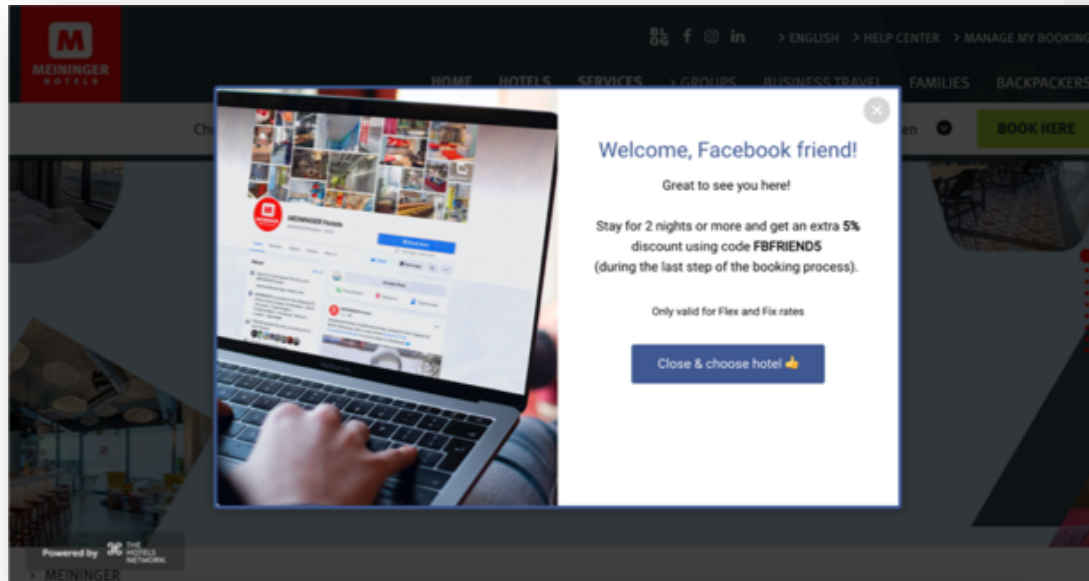
Opportunity

Hotel G is unable to convert social media lookers into bookers, and so it generates no revenue for the hotel.

The hotel has an opportunity to improve their conversion rate from this traffic source.

Performance by Traffic Source

Best Practices

For Hotel G to start generating revenue from social media traffic, the hotel should create and communicate exclusive offers for users coming from these platforms.

For example, to encourage bookings from users coming from Facebook, Hotel G could show a personalized message talking about Facebook on the homepage and create an exclusive offer such as 2 nights for the price of 3.

Once again, using targeting rules the hotel only shows this personalized message to users coming from Facebook.
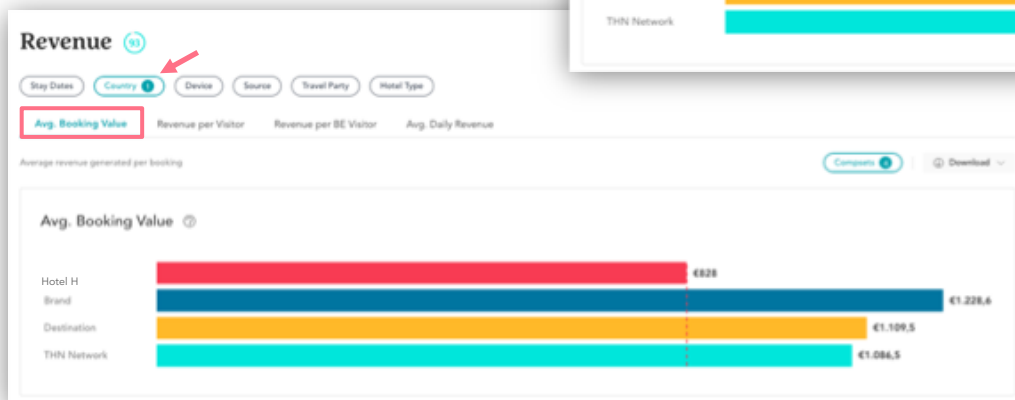
Use Case 8
Performance by Visitor Country
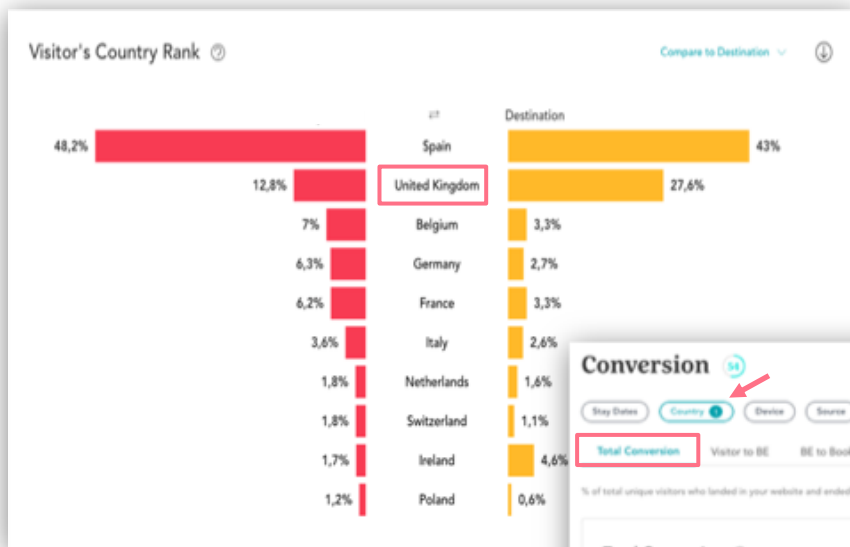
Graph A

Graph B

Graph C

Observation

Here we crossing Visitor Country Rank, Conversion and Revenue tabs. Graph A provides information on the distribution of traffic by Visitor Country, Graph B on Total Conversion filtered by Country and Graph C on Average Booking Value filtered by Country.

In terms of website traffic, the UK is Hotel H's second biggest market. The hotel's Conversion rate of UK visitors is similar to the Destination compset but the booking value is much lower than all 3 compsets.
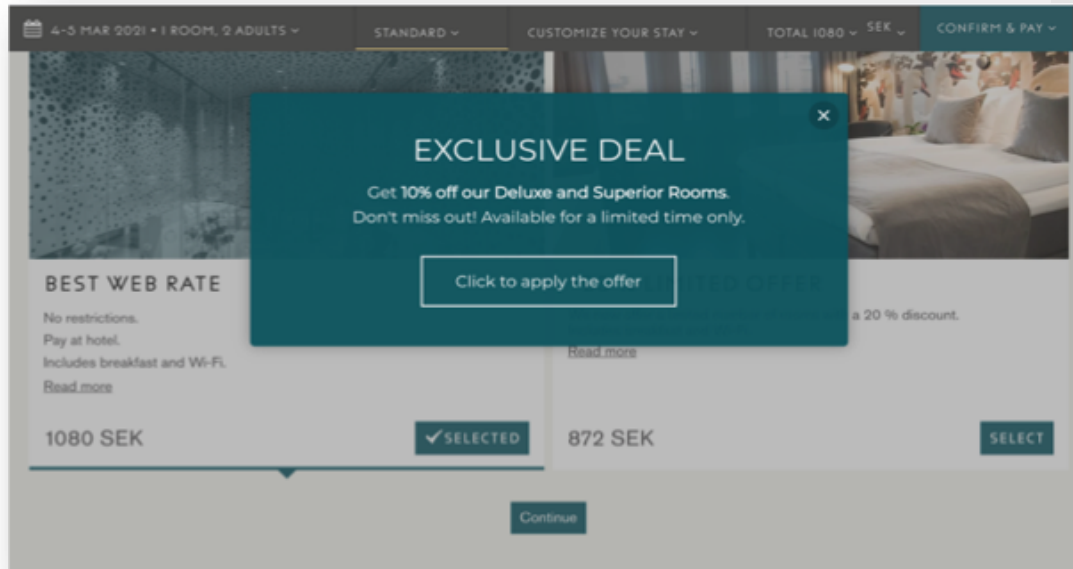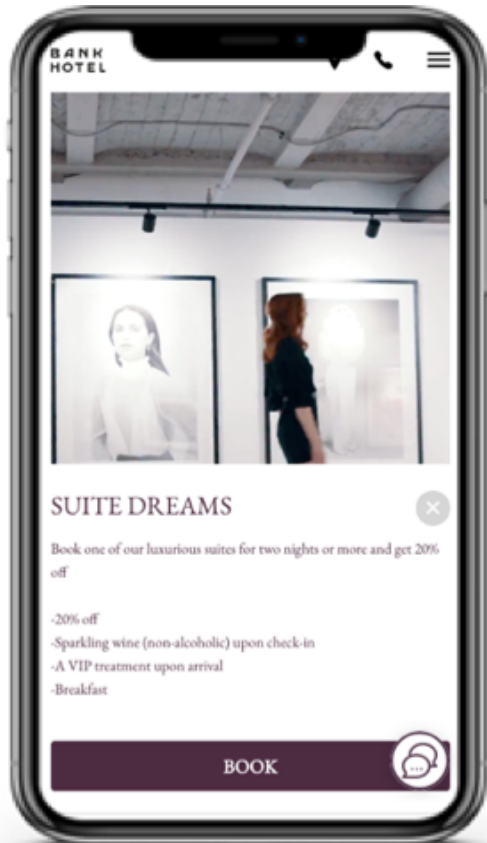
Opportunity

Hotel H is quite effective at converting UK visitors but is underperforming in terms of the average booking value of those conversions.

The hotel has an opportunity to increase the Booking Value for the UK market.

Use Case 8
Performance by Visitor Country

Best Practices

The analysis shows that UK visitors have the potential of spending more at the hotel. Hotel H should therefore create relevant messages and offers exclusively for the UK market and use targeting rules to only show them to UK users.

For example, Hotel H could push UK visitors to upgrade to a higher value room type such as rooms with a sea view or suites. Alternatively the hotel could entice visitors to book additional services such as late check-out or breakfast.

By using a Layer with 1-click promocode to promote an attractive deal, the hotel can tempt UK visitors to spend a little more, helping to boost revenue.

Key Takeaways

- For each chart in BenchDirect™, compare your hotel's performance to all three competitive sets to identify where you are **under or over performing**

- Cross-filter your hotel's data to get a deeper understanding of **what's happening and why**

- Once you have identified **opportunities** for **improvement**, implement conversion & personalization optimization techniques such as those used by THN clients

- Remember: BenchDirect™ is **free for hotels** (forever), so you can learn from our global network of hotels and unlock invaluable insights about your direct booking channel

BenchDirect™

Understand your direct channel business like never before and avoid being left in the dark

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