

Adapting to the upcoming trends

Hoteliers have overwhelmingly been part of the late majority for most technological trends. The reasons hoteliers are often slow to adopt new technology are:

- 1) Most hoteliers' budgets are allocated to the building and to creating and maintaining a quality on-site experience for guests
- 2) Hospitality is about people and thus hoteliers naturally place an emphasis on being friendly and welcoming to guests and visitors
- Most owners are short-timers and are not willing to put in the significant capital required.

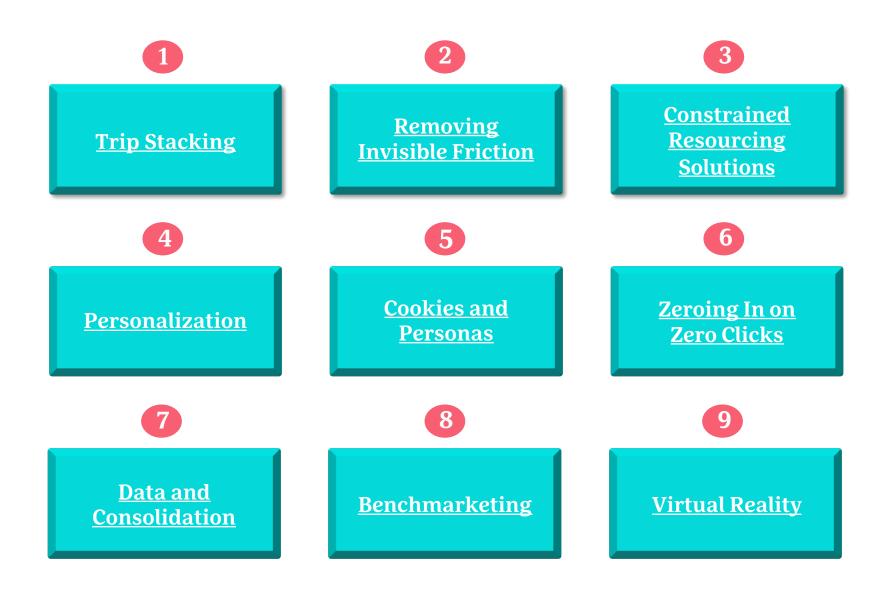
While technology can't replace the human touch and the personal relationship of the hotel staff, hotels can still take advantage of technology and use it to provide better service both on-site and pre-arrival.

Hotels and brands that are innovators are typically very open to new technologies and actively incorporate them into their operations. It's in the brand/hotel DNA. On the other end of the spectrum, the laggards only adopt technology solutions when forced and they continue to see minimal value in trying anything new if what was working before continues to work for them.

Let's look at the evolving marketing developments of 2022 that offer exciting opportunities for hotels to improve the guest experience and drive more business!



2022 hospitality trends



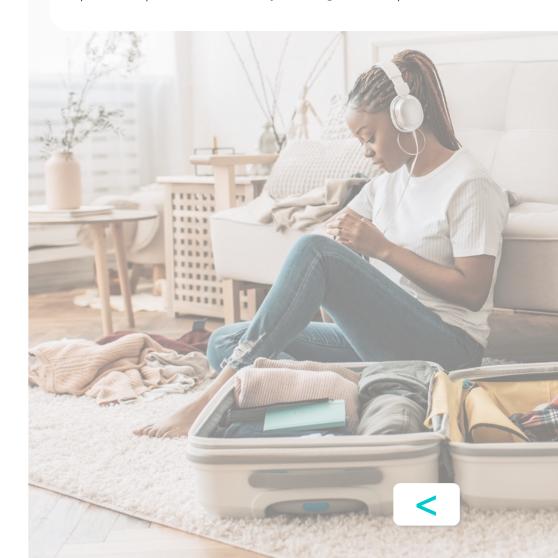
1. Trip stacking

A new phenomenon erupted from the massive need to cancel and change plans (often at the last minute) because of the pandemic. To address this new uncertainty, travelers create vacation certainty for themselves in what is now called trip stacking.

For example, a person might book an international trip, a domestic trip that requires a flight, and a staycation for the same dates. To address this behavior change, the marketer needs to make sure they provide very **flexible cancellations**. Moreover, to make the hotel's location more appealing if it's booked as a B or a C option, the hotel should send the guest pre-stay emails to keep that location at the top of their mind.

One possible way to determine if the hotel is being trip stacked is to look at the typical booking window of their guests. If they are seeing a change where bookings times are pushed out, this could be an indication of trip stacking. Moreover, a possible way a hotel can move up to become the first choice and avoid being canceled is to **upsell experiences** at their destination. In the pre-stay email, a link with the hotel's location embedded can be shared from the activity booking platform Peek. Experiences can be selected by date and include individual or group activities. These activities range from interesting online experiences including tours/sightseeing, culture tours, workshops/classes, shows/concerts/sports, attractions, outdoor activities, and more.

Trip stacking /t_IIP stækin/: booking two or even three trips over the same travel period in case Covid-related problems ruin travelers' preferred plans. It's essentially creating vacation plans A, B, and C.



2. Removing invisible friction

Invisible payments

According to the data across over 14,000 hotel websites, for the last half of 2021, of the people visiting the websites on their phone 1.6% of them book versus 3.4% booking on desktop.

The reasons for this differential have to do with the **inherent friction** that hotel booking engines enter on the last page of the booking where the required booking information needs to be collected. These fields include name, email, and credit card number/CVV. The credit card details are the biggest impediments to fulfilling the booking online whether it's a concern for privacy or the tedious process of entering the numbers.

Therefore, as technology incorporates other payments (Apple Pay/Google Pay) into the flow, this will remove the friction associated with the guest's hesitancy to complete the booking on their phone. As <u>lain McDougall</u>, CCO of payment processing firm Stripe, says, "Invisible payments are the future – where you only ask your client or your customer once for their payment credentials – irrespective of the channel they come through, be it online for the booking, or at checkout in the hotel or the property. It's about making sure the payments are not intrusive for them."

As hotels and their associated booking engines open up to seamless payment processing, the on-site mobile conversions will substantially increase.



2. Removing invisible friction

Page load speed

Another part of a hotel website's invisible friction is the "page experience" with content load speed. The guest can't see the massive amount of data and calls to the servers to load the page, but this is irrelevant.

These invisible actions that delay the display of website content carry a penalty not just in terms of the guest's likely abandonment of the website if it takes more than three seconds to load, but Google's <u>Core Web Vitals</u> now uses a load speed of under 2.5 seconds as one of the primary measurements of indexing a website. Speed is a vitally important part of how the pages of a website are indexed and found.

To check the speed of the hotel website as seen by Google, use the **Lighthouse extensions** on Chrome to measure the hotel's website performance for mobile and desktop devices.



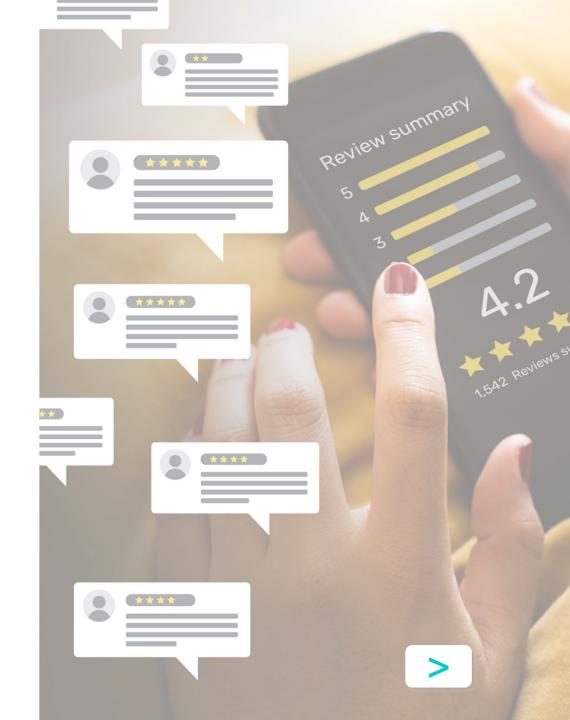
3. Constrained resourcing solutions

Limited access to skilled resourcing is likely to be an ongoing theme throughout the year. The traditional ways to address this need include investing in the training of junior staff, cross-training existing senior staff, and leveraging retainer agreements with agencies to supply manpower to flex. There are a couple of **technology-driven solutions** to consider as we enter 2022.

Fill the gaps with technology

Leverage affordable AI systems that are easy to use, easy to support, and provide strategic and revenue-generating recommendations for the hotel's more profitable channel – the direct channel. Introduced in Q4 of 2020, an Opportunities feature was included in a recent benchmarking solution that analyzes and compares the hotel against its destination, look-alike hotels, and then it automatically generates up to five recommendations that will increase revenue and reduce OTA disparities.

When a system can make **strategic recommendations**, the hotel saves by employing less skilled staff to execute the recommendations instead of relying on more experienced (and expensive) marketers.



3. Constrained resourcing solutions

Freelance by the hour

Apart from leveraging technology, another way to address resourcing issues without having to go through HR or find an agency that will require x number of hours a month as part of an ongoing retainer is to use freelancers.

While freelancing is not a new trend, the pandemic has made managers more comfortable outsourcing work, and a significant number of skilled workers who haven't previously considered a **side-hustle** have signed up to find work through freelancing sites.

Depending on what the work is, hotels can find freelance workers in digital marketing that charge by the hour. There are a number of websites that supply freelance work. Regardless of the site selected by the hotel, the manager needs to be extremely specific in the work scope. Ideally, supply not just the scope but exactly how they would like to receive the work. If a template can be supplied, that is optimal. Beware, the work quality can vary significantly from individual to individual, so it's crucial to check examples of their work and their reviews before agreeing to start a project with a particular freelancer.

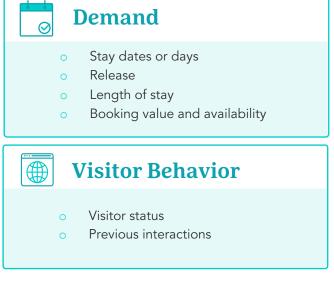




Personalization targeting

The targeting capabilities of personalization tools continue to evolve and they require renewed consideration in 2022. Personalization is executed through six over-arching targeting criteria (that can be implemented alone or in combination):







Customers are targeted according to these six criteria and can be contacted with specifically tailored messages.

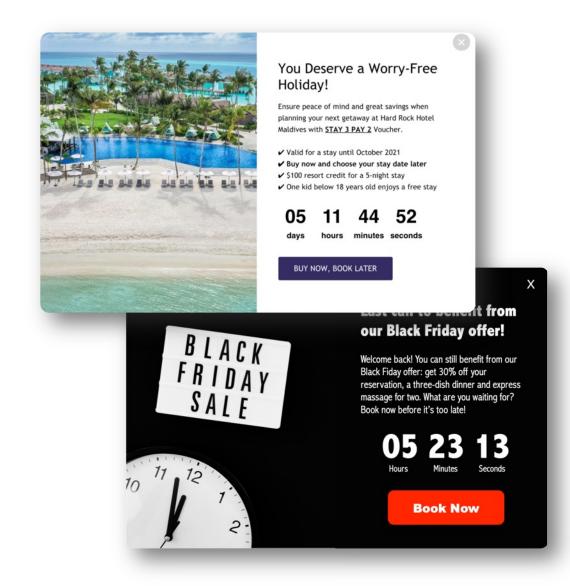
Personalized flash sales

Personalization gets even more personal when combining the targeting criteria and the countdown timer for a hyper-personalized flash sale.

Flash sales are typically driven by a specific date for a specific amount of time or by availability in inventory. However, when combined with targeting criteria they can deliver a precise and urgent booking opportunity. The targeting criteria, when combined with the countdown timer, can start as soon as the visitor hits the website. So this is true 1:1 marketing.

The guest knows in advance that they will only have 20 minutes to book the offer, whether it's a deep discount or significantly included packaged value adds. The booking must clearly indicate it is fully cancellable to help overcome any concern of losing their money with the impulse purchasing decision. If the purchase isn't made within the allotted time (20 minutes), a message is displayed saying they will be contacted in the future for other flash sales (if they share their email address).

This type of sale creates urgency and drives **focused bookings** in a very short period of time. It also helps to grow the hotel's marketing database.



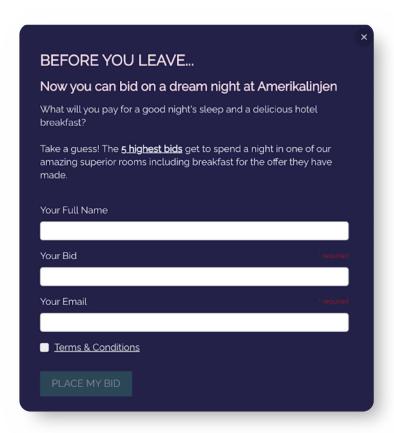
Personalized forms

Personalized forms enhance existing generic website forms and add targeting. Currently, forms on hotel websites sit on a single page and cater to requests ranging from "Contact Us", Meetings, and Weddings.

Personalized forms improve the guest experience by displaying as a layer on any page desired by the hotelier providing they are **triggered by the targeting** criteria.

Personalized forms have **numerous applications**. If the source site is wedding-related, a simple wedding form can be triggered from any hotel page after a certain amount of time on the hotel website. If a guest is on any page for more than 60 seconds, the "contact us" form can be triggered, asking if they have additional questions about the specific page. The personalized form can be triggered if the guest is searching for a date that is sold out and capture the guest's name to be included on a waiting list.

Personalization of forms is a subtle and friendly way of collecting information from guests and enriches the hotel's database.

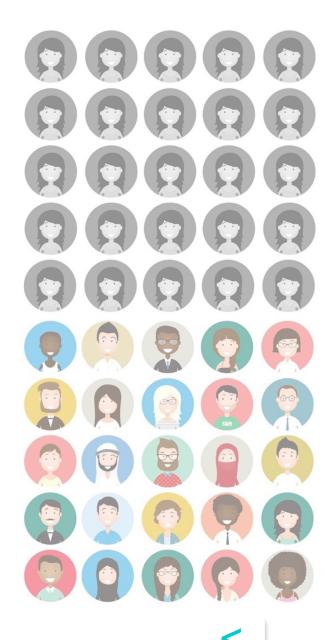


Predictive personalization

Predictive personalization is the ability to predict the actions of users based on their previous behaviors online. Data related to a user's online history is used to **anticipate** their actions and thereby place content more apt to elicit desired behaviors.

When it comes to hotels, <u>predictive personalization</u> constructs a predictive score of the user based on their past behavior (before coming to the website), current behavior on the website, any interaction it has with on-site personalization messaging, and external market data. Once implemented, predictive personalization addresses two issues hotelier marketers face. Either they are not running value-targeted campaigns or they are running promotional campaigns that target everyone.

A hotel can use predictive personalization to run value-targeted campaigns and drive more bookings and revenue. The solution will split promotions and uses targeted offers for low-intent users (and drive 20-30% more bookings) and targeted upsells to high-intent users (up to 30% more revenue). For hotels that are running promotions that don't differentiate based on intent, this personalization can optimize these campaigns and save the hotel money by splitting the campaigns and reducing incentives for high-intent users. By suppressing promotions to those with high intent, personalization will save the hotel up to 80% on unnecessary discounts to these already motivated bookers. When properly implemented, conversion rates for low-intent users can increase between 50-60% and high intent user conversions can increase over 150%.





5. Cookies and personas

2022 will be the penultimate year of Chrome's third-party cookie support. Cookies are small files that websites send to a browser that the sites then use to monitor and remember certain information about the visitor.

Third-party cookies are created by domains that are not the website (or domain) that they are visiting. These are usually used for **online advertising** purposes and placed on a website by adding scripts or tags. A third-party cookie is accessible on any website that loads the third-party server's code.

Third-party cookies are seen as an invasion of privacy. As a result, they are being eliminated. Google's proposed cookie replacement is called FLoC (Federated Learning of Cohorts). In FLoC, users are tracked and placed in large groups based on their interests. Advertisers can then target the groups, rather than the individual. Thus, users' anonymity is preserved while still allowing advertisers to target them. The technology is currently under review by privacy experts, but decisions are expected soon that could make 2022 one of the last years of the third-party cookie.

Now that information will be lost and people won't be as easily targeted, acquisition funnels need to expand to focus on general types of interests rather than specific interests.

5. Cookies and personas

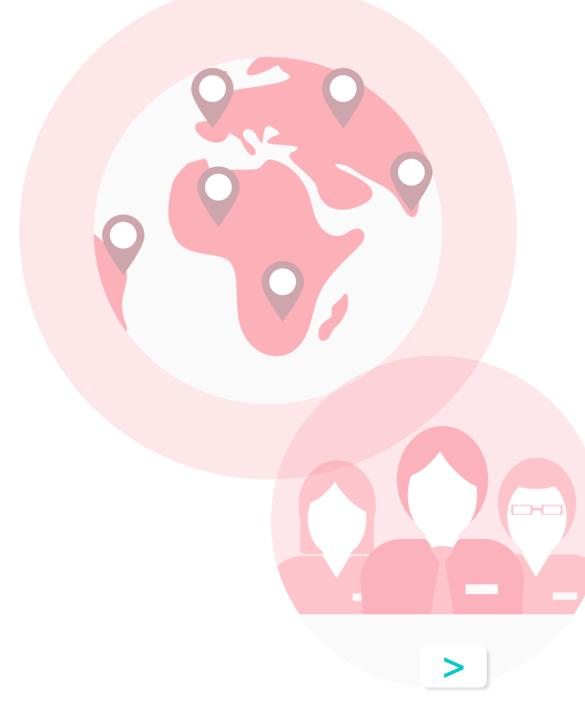
Zero party data

With the pending elimination of third-party cookies, there is an urgent shift underway for hotels to **gather as much information** as possible and improve their zero- and first-party data collection.

First-party data is typically information associated with the information collected with the booking. For example, the customer's email, phone number, and loyalty program information.

Zero-party data is unrequired data that is intentionally and proactively shared directly by the consumer with the hotel. Examples of zero-party data include data a consumer explicitly provides, such as communication preferences or the types of information they want to receive.

Zero- and first-party data round out the profile and interests of the people in the CRM database and allow hoteliers to specifically **target guests based on their interests**. The third-party cookieless world will put more emphasis on the hotel's CRM as a primary relationship building tool.



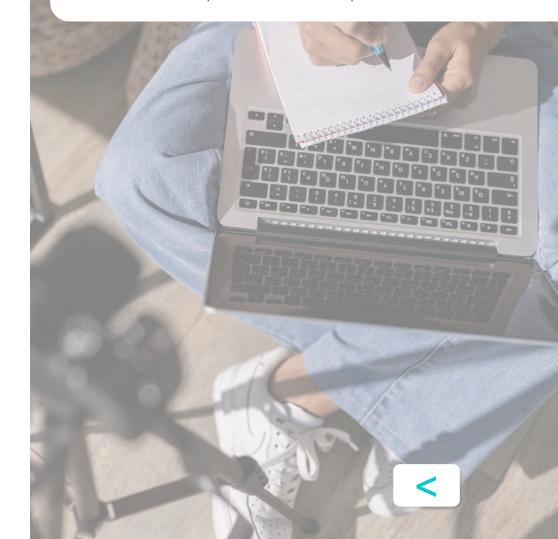
5. Cookies and personas

Personas

Since less will be known about the people coming to the hotel site before they get there, hotel websites need to speak to a broader audience once users land on the site. Hotels will need to build out **multiple personas** since they will lose highly targeted acquisition traffic. There should be a primary persona, and then secondary personas.

After the personas are designed, marketing associated with them needs to be created and pushed out for acquisition and conversion. By leveraging personalization target technology on their website, hotels can create multiple personas and then **target each one** to deliver tailored messages.

Persona /p³-'sounə/: ideal customer or customers for a particular business. They are defined by a mixture of any of the following attributes or activities: demographic, shopping habits, location, job role, interest in the product, need for the product.



6. Zeroing in on zero clicks

In mid-2021, Rand Fishkin published a study stating that nearly 65% of Google searches in 2020 did not result in a click. When a similar study is done for 2021, the results will grow as more sites are leveraging structured website data to be indexed and as Google rolls out new snippet solutions including "Expandable Search Snippet Carousels" powering content.

Zero clicks shouldn't be confused with zero-party data. A zero-click refers to a search results page, or SERP, that provides the answer to a search query at the top of the page, such that the user doesn't need any further clicks to get a question or inquiry answered. As a result of getting the answer, the person isn't moving on to the hotel website.

For hotels, an additional challenge associated with this trend is that the Google page displays all the **metasearch** results for the hotel. This includes the hotel's website and the various OTAs. So this is a critical area to make sure the metasearch prices are in parity with their hotel.

All things being equal, the guest will always pick the lowest price. If hotels want to reduce the number of OTA bookings and keep metasearch prices in parity, they need to watch the metasearch sites on a regular basis.

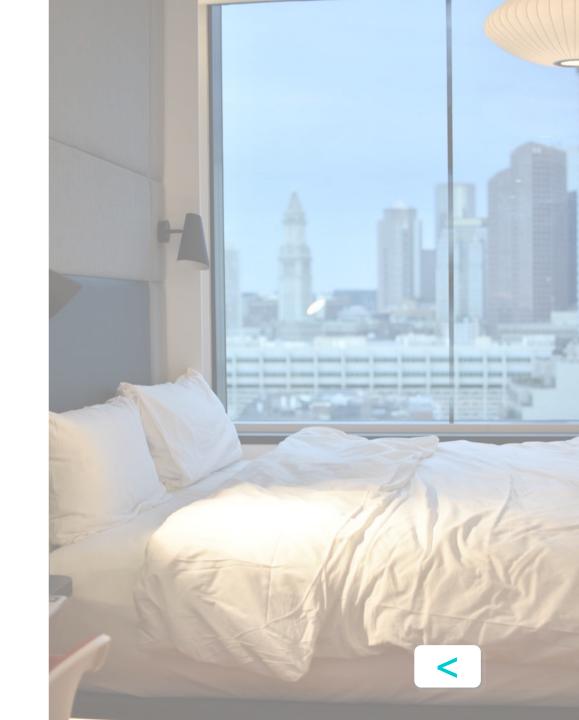
Another way to confront zero searches is to focus on finding ways to **generate value** for people that are searching for solutions related to their destination and hotel.

6. Zeroing in on zero clicks

Generating value with the website

Hotel websites will reap a couple of advantages from this growing phenomenon of zero clicks. The hotel's website bounce rate should go down. One reason for website bounces is that people are just trying to quickly find an answer to a simple question. Once they get it, they leave the site, thereby registering as a "bounce". In theory, if they get the answer on the Google page, the hotel website bounce rate will decline since these people will never come to the hotel website in the first place. This means the hotel website will get more qualified traffic. Moreover, by having the website structured to provide simple answers for Google, this data is also used by Alexa/Google Assistant and other voice solutions. Voice search delivers a single search result and if the site is optimized to answer simple questions, the hotel website might be the played audio search result.

Hotel websites need to continue to capture organic traffic to avoid spending heavily on acquisition traffic. Therefore, they need to get creative by adding more **in-depth value** to the content they create. This will put the website in a strong position to bypass the quantitative snippets that Google's zero-click SERPs exploit. When qualified traffic makes it to the website, the site must be ready and optimized to convert the traffic. One way to improve conversion is to personalize the experience.



7. Data and consolidation

Over the years the hotel marketing stack has grown to include a number of functional components, some of them with a leading role in marketing and some with a supporting role. They include the property management system, booking engine, revenue management system, content management system, reputation management system, CRM, and loyalty system.

As the number of systems explodes, managing guest data and hotel content, as well as identifying duplicated and out-of date-content becomes more challenging. Apart from the workflow issues, the bad data and incorrect content ultimately lead to a bad guest experience. Therefore, it is incumbent on the hotel to consolidate this growing pool of information and manage it all in one place. This is done through headless content and content data platforms.

7. Data and consolidation

Headless content

Imagine content that was created once and then shared across multiple systems via an API. Headless content is any type of back-end content management system where the content repository "body" is separated or decoupled from the presentation layer "head."

Content that is housed in a headless CMS is delivered via APIs for seamless display across different devices. Some traditional CMS platforms offer a "headless API" that allows them to send content to a separate presentation layer. Headless content delivers **two key promises**: removing the time and effort involved in multiple-entry data and eliminating the risk of data getting out of sync. This problem was fully apparent during the pandemic where different hotel systems provided contradictory messaging related to their pre-and post-Covid guest communications.



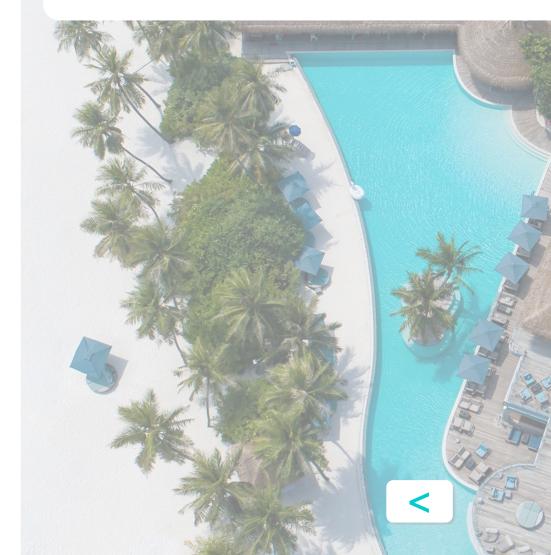
7. Data and consolidation

Customer data platform (CDP)

The CDP incorporates information from digital data sources including the hotel's website, apps, other channels such as live chat or digital assistants. The CDP collects the number and length of interactions, the frequency of those interactions transactional data such as guest purchases from the booking engine, property management systems, and loyalty programs. After the data is united it becomes the **central source** of information on the guest. The data can be cleaned and elaborated.

At this point, the hotel has **full control** over the distribution of this data. All the connected systems will use guest data as it relates to the particular system. The consolidation of guest data allows hotels to effectively and efficiently manage privacy concerns as well as provide a more robust dataset on each guest. This consolidated data can also help the hotel craft multiple personas to improve the overall hotel marketing.

Customer data platform /kʌstəmə ˈdærəpɜ ˈplætfɔ:m/: software that collects and unifies first- and zero-party customer data—from multiple sources—to build a single coherent view of each customer.



8. Benchmarketing

Benchmarketing is a new concept in terms of the hotel website's direct channel. Previously, this wasn't possible since direct channel benchmark data didn't exist. Now the data exists and hotels can use it.

G4 Analytics

Google is launching a new analytics platform that is available now in beta. Now is the perfect time to have the team learn and experiment with <u>GA4</u> by running it in parallel. Warning: don't upgrade fully until the product is out of beta. The biggest difference between Universal Analytics (the existing Google Analytics) and GA4 is the **measurement model** that they use. Universal Analytics uses a measurement model based on sessions and pageviews. A session is a group of user interactions (hits) with a website that takes place over a given timeframe. A session can contain multiple pageviews, events, and eCommerce transactions. In contrast, GA4 uses a measurement model based on **events**. The principle here is that any interaction can be captured as an event. As a result, all Universal Analytics hit types will translate to only events in GA4.

So while the hotel data will improve with the migration towards GA4, it still only provides a comparison of the hotel against itself. It's still an **incomplete dataset** based on what is available to the hotel about their destination. To get a full dataset of the hotel's analytics, a benchmarking component needs to be layered in to augment and complement the hotel's direct channel information.



Benchmarketing /bɛntʃmaʁketiŋ/: benchmark + marketing. Action to leverage hotel direct channel benchmarking data to apply it to marketing in order to boost direct bookings and revenue.

8. Benchmarketing

Benchmarking data

When the hotel reviews their data with a **full 360-degree view** of their destination and look-alike properties, they can make key strategic marketing decisions.

Most hotels look at their own KPIs in a vacuum, but benchmarking allows hotels to compare their KPIs against their competitors. The benchmark data will reveal if the hotel is doing better than they thought against their KPIs but that they might be underperforming against the competition. Inversely, the data might reveal the hotel is underperforming against their KPIs but doing better than their destination with the same measure. In this way, benchmarking data is the **hammer and the shield** of the hotel marketers. It's the shield to protect them from fallacious assumptions about the hotel's performance when compared against the destination's poor performance. It's the hammer because it allows the hotel to strike out where their competitors are weak and exploit their weaknesses for the hotel's gain.

Hotels can leverage benchmark information and start benchmarketing by either emphasizing the areas where they already outperform their competition or by guiding investment towards areas where they need to improve. The approach the hotel takes will all depend on its strengths and weaknesses. A weakness area might remain a weakness if it requires capital investment.

When hotels apply benchmarketing to their overall marketing strategy, they see new opportunities emerge that were previously hidden.

9. Virtual reality

While the promise of Mark Zuckerberg's metaverse is still far-off, Oculus sales are hitting records this holiday season and virtual reality is quickly becoming a new reality. With the reduction of the cost of the headsets and improved content, it's just a matter of time before everyone tries on a headset just to satisfy their **curiosity**. This is an opportunity for hotel B2B sales and marketing teams in terms of prospecting meetings and events planners.

Imagine reaching out to a planner via email and asking if they like to virtually meet via Zoom or VR? If they choose the VR route, set their expectations very low, saying it might be a little confusing at first to find each other, but that will be part of the overall fun.

No one forgets their first experience. Send them a VR headset already set up with their personalized avatar (scrape the internet for their likeness), have it wear a shirt with the logo of their company, and then add something (like a hat or a bag) with the logo of the hotel brand. When they get to the world the hotel team pre-created for them, have a digital billboard greeting them that says, "[Hotel Brand Name] welcomes [Name of Guest]". Then take a "picture" of the two avatars together in front of the sign. After this prospecting meeting is over, send the photo to them. New, impactful experiences such as this guarantee that they will remember the salesperson and the brand.



Conclusions

2022 offers many exciting opportunities for hoteliers to improve the guest experience.

Whether it is through providing exciting location-based experiences, creating highly personalized and seamless digital experiences, or creating operational efficiencies, this year will be a turning point as hotels continue their overall pivot to drive more direct bookings and revenue.



About The Hotels Network

The Hotels Network is an innovative technology company working with over 14,000 hotels around the globe. Boasting an international team of experts, the company offers clients a full-stack growth platform to power their direct channel. By leveraging a series of integrated tools and analytics, hotel brands can attract, engage and convert guests throughout the user journey.

In addition to price comparison, reviews summary and a full suite of personalization options, THN's Oraculo product harnesses machine learning techniques to predict user behavior and then automatically personalizes both the message and the offer for each user. The company's latest innovation, BenchDirect, is the first benchmarking product for the direct channel, providing hotels with never-before-seen competitive data that that empowers smarter decision-making.

Our mission is to improve the online booking experience, grow direct bookings and strengthen the relationship between hotel brands and their guests.

Contact us today to find out more.



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