



GENERATING BOOKINGS THROUGH MERCHANDISING

By Louise Meyer, Vice President, Hotels, VFM Leonardo

Stating the obvious, we all know that tighter economic conditions are creating havoc with hotel occupancies. The not so obvious answer is to the question, "What can be done about it?"

One can cut costs and/or improve means to generate revenue.

Despite the propensity for hotel companies to focus their attention during difficult economic times on austerity plans and staff cuts, it may be argued that it is a far better business practice to improve its means of generating revenues and reducing expenses. That is to say, half or 50% of our job today should be in creating sales and the other half in controlling expenses.

So, in this shrinking market, how can you ensure you get not only your fair share of the pie, but an even greater piece than before?

Focus on Merchandising your Hotel Online

At HEDNA's New Orleans Conference in December 2008, we heard Henry Harteveltdt, Principal Analyst at Forrester Research tell us that now is the time to concentrate not only on distribution but on merchandising our hotels. Merchandising activities can be daunting. Where to start?

"Now is the time to concentrate on merchandising our hotels."

Every property, independent or brand, has a unique story to tell, a unique experience to convey. While your hotel's written description is critical, communicating through images and rich media (defined as any media that moves!) has become increasingly important in telling its story and creating sales.

With over 50% of travel expected to be booked electronically this year, it is crucial that you don't leave the story to be told only in words. You must catch the eye of potential customers; you must "wow" them, and create a strong sense of value for your product. It is no longer just about distribution, it is a must to evolve to merchandising and making your property come alive.

Rich media can:

- **Address rational concerns, increase consumer confidence and convey value** - "the features and amenities justify the price"
- **Convey experience and create desire** - "I'm going to have a great stay at this hotel"
- Help hotels compete on value rather than solely on price
- **Key Customer Acquisition Tool** - 75% of travel research starts on third-party sites (ComScore) but then a high percentage buy direct from brand.com

But does it pay off in today's economic times?

In a recent study with a major hotel brand designed to determine the impact of hotel rich media on look-to-book conversion rates, it was found that:

- Overall, consumers who view rich media are 59% more likely to book than similar consumers who do not.



- Look-book conversion for those viewing video only was 4.6% and for those viewing virtual tours only (360s) was 2.5%.
- However, the greatest lift in conversion rates (5.2%) is experienced when a consumer views both video and virtual tours.
- The overall increase in conversion rate for consumers who visited the property with rich media present vs. those visiting the property with the rich media turned off, was 27%.
- Based on the study, this conversion resulted in 695 incremental bookings per property per year which resulted in a 91x ROI. (Complete details on this study are available by request).

So, what do I do? How do I wow the consumer and create more bookings?

Rich Media (video, flash, 360s) should be shared

If in doubt, look again at the numbers above to see the impact rich media has on the booking process. Images are almost a given today, you have to have them to play, but rich media is your closer and brings in the sale. There are many firms that can produce for you.

However, ensure that the person you hire provides you with full rights to your digital files and that they do not charge you royalty fees. You want to own your digital assets so you may publish them in any way you desire. These elements encourage interaction, which in turn, increases the amount of time visitors spend reviewing your hotel, thus the higher conversion rates.

Show all that your property has to offer

Present all of your amenities: accommodations, meeting space, golf course, weddings, restaurants, pools, etc. This gives your guest a true glimpse of actually being there and allows them to dream, to actually put themselves in your hotel.

Professional Imagery

Your photography is often the first glimpse your potential guests will get of your property before they begin forming their opinions. You want to seize this opportunity and ensure that you make a good first impression. Make sure your photos tell the unique story you want to convey. Rather than a snapshot, it is always best to use a professional.

Shout your story to the world

A good story isn't good until it is heard and, as such, you want it told in every place your potential customer may be looking. Don't forget the corporate sites and the social media sites, the research sites and the meeting planning sites, the tour operator and destination sites. But this can be a daunting task trying to get your media to all of these places and to ensure its consistency.

Partners can help you through all of this chaos and confusion. When selecting a partner, ensure that it is one that has the broadest distribution possible, not just to your top booking sites but to numerous others so you can capture new customers. Look for a partner that has a network that is constantly growing and one that the distribution sites see as the key source for content.

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