# How hotels can use guest data to increase revenue

**HOW TO LEVERAGE THE BEST TOOLS TO COLLECT, ANALYZE AND BASE DECISIONS ON GUEST DATA**

ATOMIZE Bookboost ROOMDEX

# Research & booking

## 1. Introduction

The recent years with a turbulent and unpredictable market have made hoteliers used to dramatic change. New travel trends and changing guest behavior are here to stay and hotels must act upon it. Guest booking behavior and previously established travel patterns have been replaced by new ones that now belong to a hotelier's daily challenges.

If you as a hotelier manage to monitor, predict, and act on these changes you can be ready to leverage these challenges and make the most of them at your hotel. But how to tackle them? One thing is sure, your guest data is one of your best assets.

Guest data is your main source for highly powerful insights that will allow you to streamline your operations and apply key tactics to increase your revenue. And if you combine guest data with smart technology, you will surely be successful in achieving your goals.

## 2. New booking behaviour and travel trends

- **Travelers start to plan ahead again.**

While most travelers are still planning and searching for trips in the short term the share for longer search windows increased during Q4 2022 according to Expedia's travel insight report for Q1. During the last quarter of 2022, 35% of overall searches were for travel in 2023 — a 55% increase YoY according to the report.

This means that traveler confidence is increasing and people are starting to plan their trips earlier in advance.

- **Shifting seasonal trends**

Many markets used to rely on seasons of high and low demand. But what was once predictable and expected is now much more variable.
Today, guests are more flexible and willing to travel during off-peak times. That includes periods before or after traditional high seasons and historically low-demand midweek days.

- **The rise of flexcation**

The idea of remote work or bleisure travel isn't new but the pandemic made it bloom. As flexible work options remain for many companies, "blended" or "flexcation" travel — a longer stay that mixes remote work and play — is on the rise, and the opportunity for those in the travel and hospitality industry is huge. Insights from the **Traveler Value Index 2023** study show that 28% of consumers are looking to take a flexcation trip in the next 12 months.

- **Growing demand for digitalization and personalization**

As technology becomes a more natural part of people's lives, this sets all kinds of customer expectations, which puts a certain pressure on hotels. For example, most guests expect a higher level of digitalization and quick replies regardless of which channel they use to request information.

Guests also look for a certain level of personalization before rating a service as good. They want to feel unique and have a valuable experience. This can create a challenge for hotels as many are still understaffed, and personalizing services demands an increased effort.

## 3. Understanding research and booking behavior to capture demand

Market conditions for hoteliers have changed with changing booking and traveler behaviour as well as shifting demand patterns. Understanding traveler search patterns early on has become essential for hotels to capture demand before their competition.

The research phase is the first stage in the guest journey where future travelers collect and review their options for various aspects of their coming trip, including their destination, budget and desired activities. It's also your first chance to catch their attention and make sure you target them with the right offering and price at the right time.

In recent years, the development of AI and automation, especially within revenue management has been a game-changer for the industry. Atomize represents this new breed of AI-based pricing solutions and can review enormous quantities of information and make data-driven decisions in real-time to optimize revenue and improve overall business performance for hotels.

### 3.1 Leveraging market demand data to optimize rates

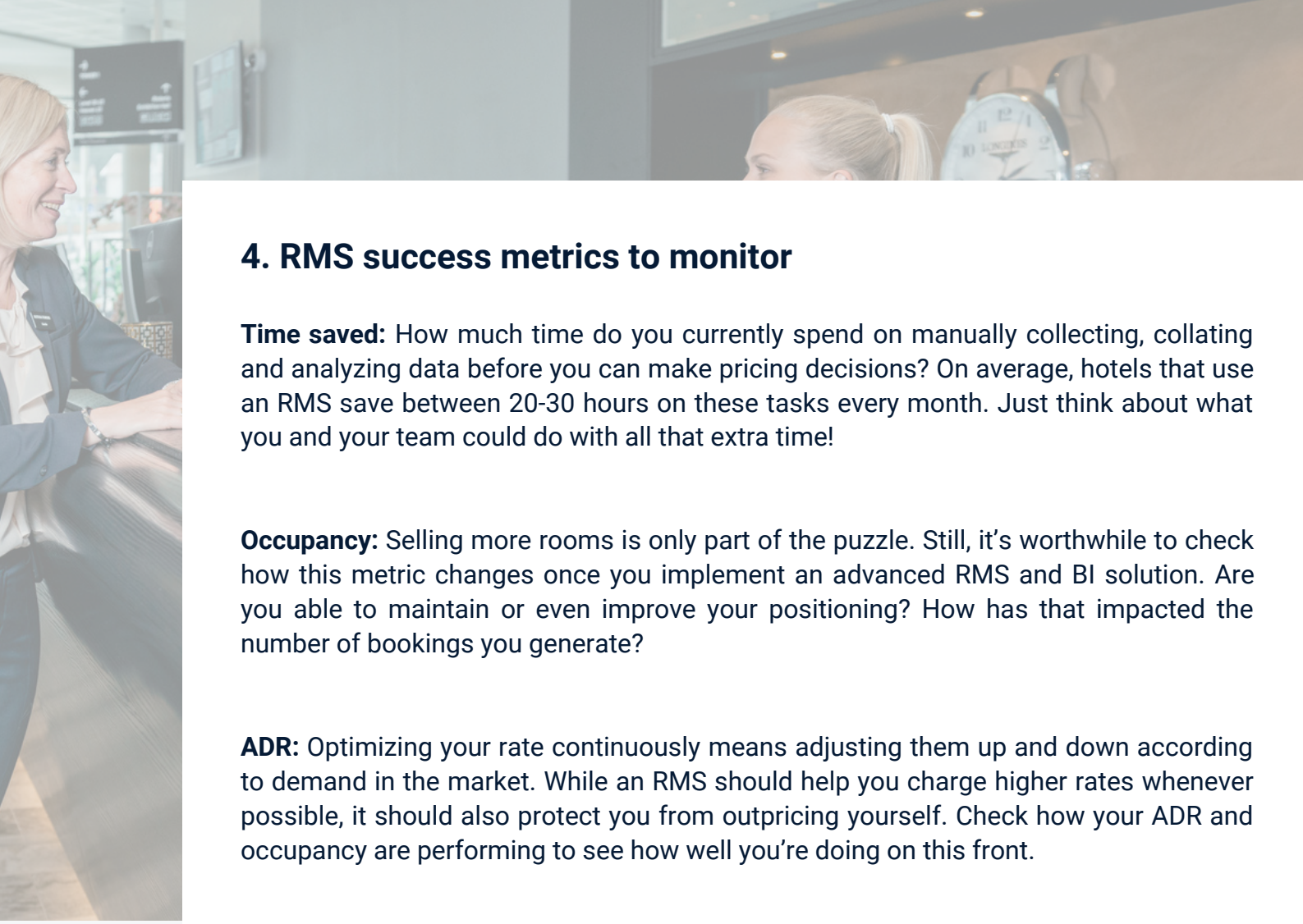
Future market demand data, such as flight search volume, search pressure, and source market behavior give you a fair picture of market demand and by using an RMS that includes this type of data, you have a competitive advantage since this functionality is quite unique among today's RMSs. By having access to this type of booking intent data, Atomize can adjust your rates before the bookings take place and capture those revenue opportunities before your competition.

### 3.2 Real-time price optimization to maximize revenue

If there is anything hoteliers have learned in recent years it's that future demand can´t be predicted based on historic patterns, it continuously changes and if your RMS does not update rates automatically in real time you will miss bookings and lose revenue.

Atomize is the only RMS in the world supporting real-time price optimization which means Atomize continuously has real-time rates pushed live to your PMS, around the clock, 730 days into the future, dynamically for all room types to make sure your hotel is not missing out on revenue. This basically means your room prices are updated at the highest frequency possible.

One property in Sweden was able to boost its RGI by 47.3% once it started leveraging automatic real-time rate updates.



## 4. RMS success metrics to monitor

**Time saved:** How much time do you currently spend on manually collecting, collating and analyzing data before you can make pricing decisions? On average, hotels that use an RMS save between 20-30 hours on these tasks every month. Just think about what you and your team could do with all that extra time!

**Occupancy:** Selling more rooms is only part of the puzzle. Still, it's worthwhile to check how this metric changes once you implement an advanced RMS and BI solution. Are you able to maintain or even improve your positioning? How has that impacted the number of bookings you generate?

**ADR:** Optimizing your rate continuously means adjusting them up and down according to demand in the market. While an RMS should help you charge higher rates whenever possible, it should also protect you from outpricing yourself. Check how your ADR and occupancy are performing to see how well you're doing on this front.

**RevPAR:** Driving up your revenue per available room is one of the prime goals for every hotelier. An RMS is designed to help you achieve this through optimized pricing that attracts your ideal business mix and balances your occupancy and ADR. On average, hotels that use an automated RMS see a RevPAR increase anywhere from 9% to 25%.

**RevPAR Index:** Increasing your RevPAR is already a great start. But how are you faring compared to your comp set? If their RevPAR is still consistently higher than yours, there's room for improvement. An automated RMS helps in this situation to make sure your hotel, as a minimum, is getting its fair share of the available demand. In most scenarios, since an automated RMS is still a unique advantage, it increases your hotel's market share by capturing business from the competitors. The average hotel using Atomize sees a RevPAR index increase of 15% to 20% within three to six months.

**+15%**
***average RevPAR increase***

**20-30**
***hours saved per month***

## 5. Leveraging the power of your guest data with a CRM

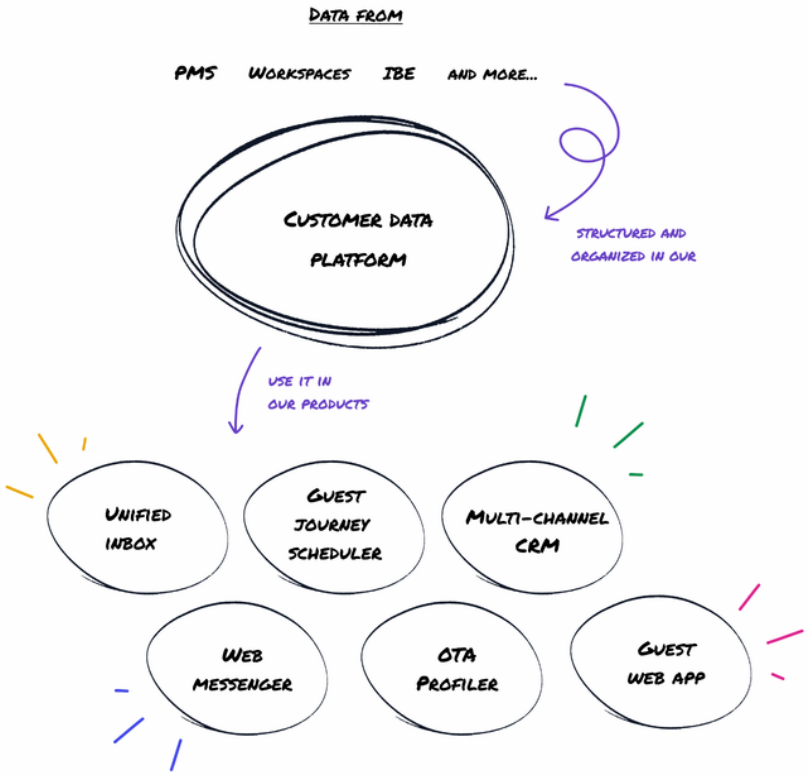
The power of guest data is such that you can still leverage it even before the booking is made. If you have the right tools, you can use them to power many strategies.

One of the main things you can do is gather insights from your data in order to identify similarities and differences. When your guest data is organised and structured, you can start to clearly see patterns in order to identify the characteristics of your guests.

**Use your CRM to understand who are your highest spenders** and what are their characteristics (demographics, where the booking was made, what services they were looking for, and more).

With that information in hand, you can prepare similar audiences to target them with paid campaigns in social media.

What you are doing now is using your pre-existent guest data to power your paid campaigns (google ads and social media), allowing your ads to appear in front of the right people and generate more bookings.



# Pre-stay

The pre-stay phase is key to generating loyalty and connecting with your guests. One of the main things to keep in mind is to don't forget about them. If they make a booking and never hear from you again until one day before the start of their stay, the situation won't be so positive.

In this phase, you can use your guest data to increase revenue by creating guest journeys that transmit all the relevant information to your guests.

## 5.1 **Create similar audiences**

Again, you can use your CRM to create audiences based on guests' preferences and other information from their booking. For example, you can create an audience based on the type of room they are booking, whether it is a family stay or if it's a business trip.

Bookboost Multi-Channel CRM, for example, allows you to **create hundreds of segmentations** based on different factors, like the device your guests are using, the room they selected, the channel they use to communicate, and more.

## 5.2 **Unlock the power of personalized messages**

The more personalized the audience you create, the more unique and accurate the messages you will send.

This will result in higher conversion rates since you are offering the right services to the right people. For example, kids' menu or kids' entertainment activities for guests that booked family rooms. A couples massage for a couple that booked a romantic suite. Getting drinks at the bar in exchange for skipping room cleaning for people that booked for less than three nights. And so on. The possibilities are endless.

### 5.3 Contact your guests via the right channel

Your conversion rates will skyrocket once you start communicating with your guests via different channels. At the moment they make a booking, you can ask them about the channel they prefer to be contacted at. With this information, you can use a multi-channel CRM to create multi-channel approaches.

Not all your guests use email, hence if you contact some of them via WhatsApp, you have more possibilities of your messages being read, leading not only to creating a relationship with your guests but also to increasing your revenue through upselling and cross-selling.

### 5.4 Automate your guest journeys to free your staff

The best part about creating guest journeys is that they can be automated. Using the right tools you can set up different triggers that will determine when a guest will receive what type of message.

For example, this is what you can do with Bookboost Guest Journey Scheduler:

- A booking confirmation right after a booking was made.
- An email with information about the type of room they chose and an offer to upgrade a week after a booking was made.
- A WhatsApp message with local recommendations one week before their arrival.
- An SMS with online check-in instructions 24 hours before arrival.

When you automate all these touchpoints, your guest journeys will flow, freeing up your staff to work on other projects, which in the end results in more revenue.

## 6. Upselling and the challenge of personalization

One of the most vexing challenges for a hotel marketer is the goal of personalization. When looking across verticals – especially online – we see retailers pushing product recommendations and product-specific ads to users all the time. While there can be many factors of various weights in the algorithms applied, typically the retailer is tracking user behaviour such as browsing history, cart history or purchase history.

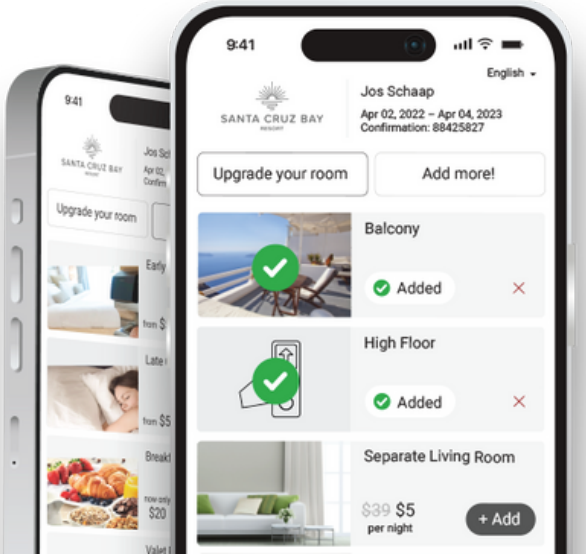
The key word here is “history.” And this is where the first problem lies for the hotel. Many, if not most, of its customers are new customers. And they may never find their way to that hotel again. There is no history to tap into.

So where can we derive personalization data? Sure, loyalty programs help chains with purchase history and preferences, but this method is highly dependent on the consistency and volume of purchases. As we all know, many of us are ‘loyal’ to many brands and this cuts down on the data volume and applicability for a single hotel stay. Besides, loyalty only covers a portion of the customer base and independent hotels have no recourse here at all.

### 6.1 It is less about data volume than data interpretation

At ROOMDEX, we focus on the information that we DO know. In our case, we are upselling to a booked guest. The benefit we have is a deep 2-way integration into the PMS. We pull all the reservation data – the room type and its attributes, the number of guests, the stay dates, plus notes and any other profile information attached to the reservation.

By analysing this data, ROOMDEX's algorithm can determine which guests are most likely to be interested in an upgrade or additional service, such as a room with a better view or



kitchenette. The system then sends personalised offers to these guests via email inviting them to upgrade their booking for an additional fee.

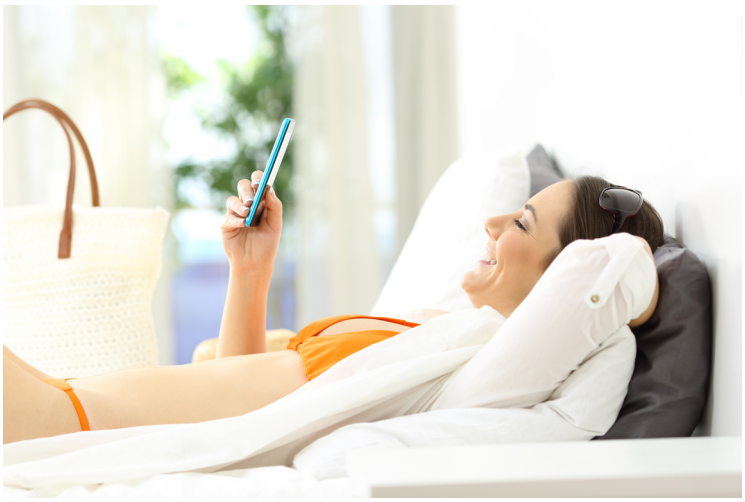
For example, if a guest has purchased a standard room with a park view, we don't want to send them an upgrade to a premium room with a parking lot view. That would take away a room attribute that has not only a demonstrated value to the guest, but also high value relative to the attribute value chain of the room, room type, and hotel. Personalization in hotels is less about matching specific preferences than making calculated assumptions based on demonstrated data from the last transaction.

In addition to using guest profile data to target the right guests with the right offers, ROOMDEX also sets the right price. How much did the guest pay for the original reservation? What is the demand and current acquisition pricing for the proposed room type upgrade? Are there purchase history factors to consider? Room upgrades are room products and therefore should be priced in real-time just like in the acquisition phase.

### 6.2 Consider offer timing

If every booking window was the same, then this would be easy, but for any night, your guests may have had booking windows that vary from two months out to the night before. Our algorithm takes this into account as well as the actual length of stay. We will send out offers to a guest based on those two factors combined with offer type (room upgrades, vs early arrival/late departure monetization vs guest services like breakfast and parking) and availability.

As is often heard, you want to send the right offer to the right guest at the right price and at the right time. Reservation data is surprisingly rich if you look at purchase trends across room product characteristics.



## 7. In-stay revenue opportunities

You can still use data to increase revenue opportunities when your guests have already arrived at your hotel. And one of the main ways to do this is by using a guest app.

However, remember that the only way to make this a success is by keeping in mind the personalisation. If you ask your guests to use a guest app because they will find valuable stuff for them, you should keep the promise and even exceed their expectations.

**Things you can communicate in the guest app:**

- Early check-in or late check-out
- Access to hotel services
- Local events & famous spots
- Booking details
- Upselling offers

By using your guest data to create different segmentations you can personalise the information you offer to every type of guest. At the same time, with a guest app, you give them the power to control their stay, making modifications and adding services in the way they want and at the time they need it, independently of the presence of the hotel staff.

How does this impact your revenue? You will have better opportunities to upsell your services by offering them through the guest app and by allowing them to select whatever they want in their own time.

You also save time for your staff since most questions will be solved by the guest app itself, which leads to them having the chance to engage with other guests, take care of complaints, and other aspects that also impact your revenue.

In the case of a **Guest Web App, like Bookboost's,** the main advantage is that your guests don't need to download anything. You can easily onboard them through a WhatsApp message or SMS, which also reduces customer effort, one of the main drivers of guest loyalty.

# Post-stay

## 8. Create loyal guests

After the guest has left your hotel, the journey doesn't end. In order to continue increasing your revenue you must build guest loyalty. Why? Because it is cheaper to engage with already existing customers and convince them to come back than to gain new customers.

Using your guest data in a smart way will also help you to tackle this point.

### 8.1 Ask for reviews in a smart way

Reviews are important for a hotel so asking for them must be part of your post-stay communication. Do it while the memory is still fresh in their minds, and use different messages to engage with the different audiences. This will lead to a more personal approach and better results.

### 8.2 Reach out to people who haven't booked for a while

Use your CRM to identify this audience and their favourite channel. Then, prepare different messages depending on the channel you will use (email, WhatsApp, SMS). You can even offer a discount code for this new visit.

### 8.3 Identify your loyal guests and offer them extra benefits

Again, use your CRM to identify guests that have made several bookings and invite them to be part of your loyalty program or offer them exclusive benefits, making clear that only guests who have returned to the hotel several times can access to those.

## Get in touch with us!

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