

INSIGHTS REPORT

2024



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HOTELS & RESORTS

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HOTEL COLLECTION

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HOTELREZ INSIGHTS REPORT



Introduction



Mark Lewis
CEO & FOUNDER

Since HotelREZ was established 20 years ago, the way groups, hotels and aparthotels find and secure their sales has vastly changed.

On-the-ground sales teams are still important – particularly in driving corporate business and creating and strengthening relationships with travel agents – but consumers and business travellers are also more empowered to book their own stays.

Today's accommodation providers are faced with a myriad of choices about how to shape their sales strategy.

For consumers, the paradox of choice is just as strong – with the ability to book a room at their preferred accommodation via corporate or leisure travel agents, a B2B self booking tool, by calling the hotel/aparthotel directly, or at the touch of their fingertips on the property's website or any one of the seemingly thousands of online travel sites.

With their global marketing spend and brand awareness, you can be forgiven for thinking Online Travel Agents (OTAs) completely dominate the booking landscape. They certainly support visibility and building consumer awareness through a billboard effect, having a strong influence on guests' research.

HOTELREZ INSIGHTS REPORT

Top 5 Booking Channels for HotelREZ clients

As our research shows, direct booking on a property's own website accounts for around a third of all bookings, with OTAs around half that.

GDS is the dominant booking channel, straddling both leisure and corporate business.

TOP 5 BOOKING CHANNELS

FOR HotelREZ CLIENTS

1  GDS

2  DIRECT WEB BOOKINGS

3  CHANNEL CONNECT
INC. OTAS

4  DIRECT MOBILE BOOKINGS

5  IDS

HOTELREZ INSIGHTS REPORT



Top 5 Booking Channels for HotelREZ clients

In our new Industry Insights report, we reviewed the impact of three key booking channels – the GDS - which continually drives transient agency, corporate and leisure business, Direct bookings (including both desktop and mobile), and Channel Connect through the CRS directly to OTA's, tour operators and wholesalers, cutting out channel managers. We hope you find it a helpful tool as you shape and review your future sales strategies.

The GDS

However, while it may not be as on trend or as newsworthy as an OTA or booking direct on a glamorous property website, our booking data shows the GDS has been experiencing consistent growth since 2014, and after a strong 2023 has achieved growth over its 2019, pre-pandemic level.

GDS remains favoured by travel agents and travel management companies.



“

[It was] the first time Champneys [was] available on the GDS, and as such we wanted to choose a reliable partner with an undisputable record of helping hotels and resorts maximise their revenues.

HotelREZ Hotels & Resorts are specialists in marketing and connecting unique hotels worldwide. They have an exceptional team with a great deal of experience, and have helped us every step of the way.

CHAMPNEYS HEALTH SPA RESORTS

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TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS

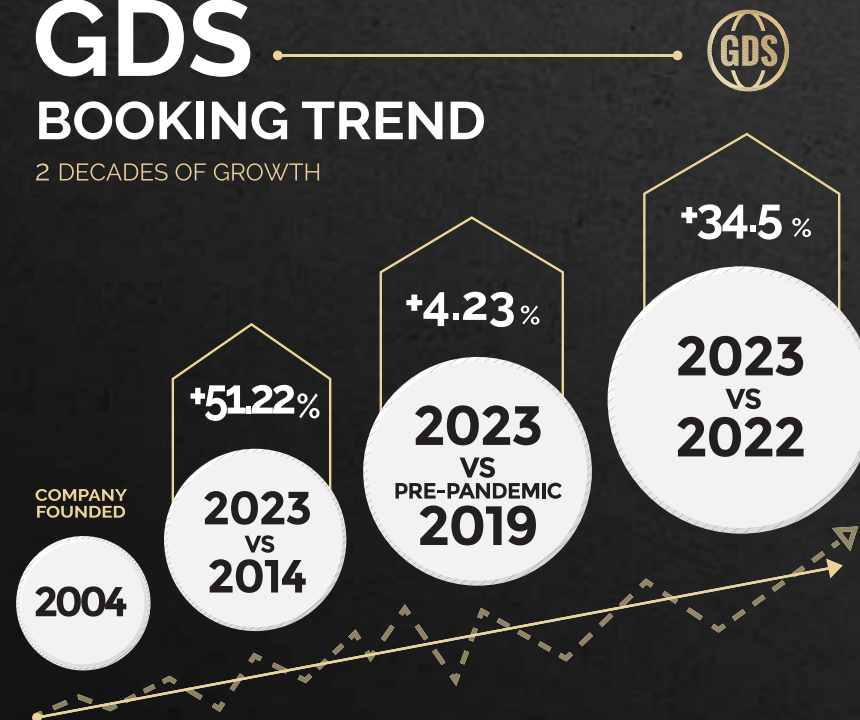
I The GDS

Post-pandemic it was one of the first channels to rebound thanks to a greater appreciation of the influence a travel agent can have when changes or cancellations need to occur, along with saving the customer time.

Other factors include controlling cost for the corporate or consumer and stricter adherence to corporate CSR requirements along with an increased emphasis on sustainability, and duty of care whilst traveling for work purposes.

GDS BOOKING TREND

2 DECADES OF GROWTH



TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS

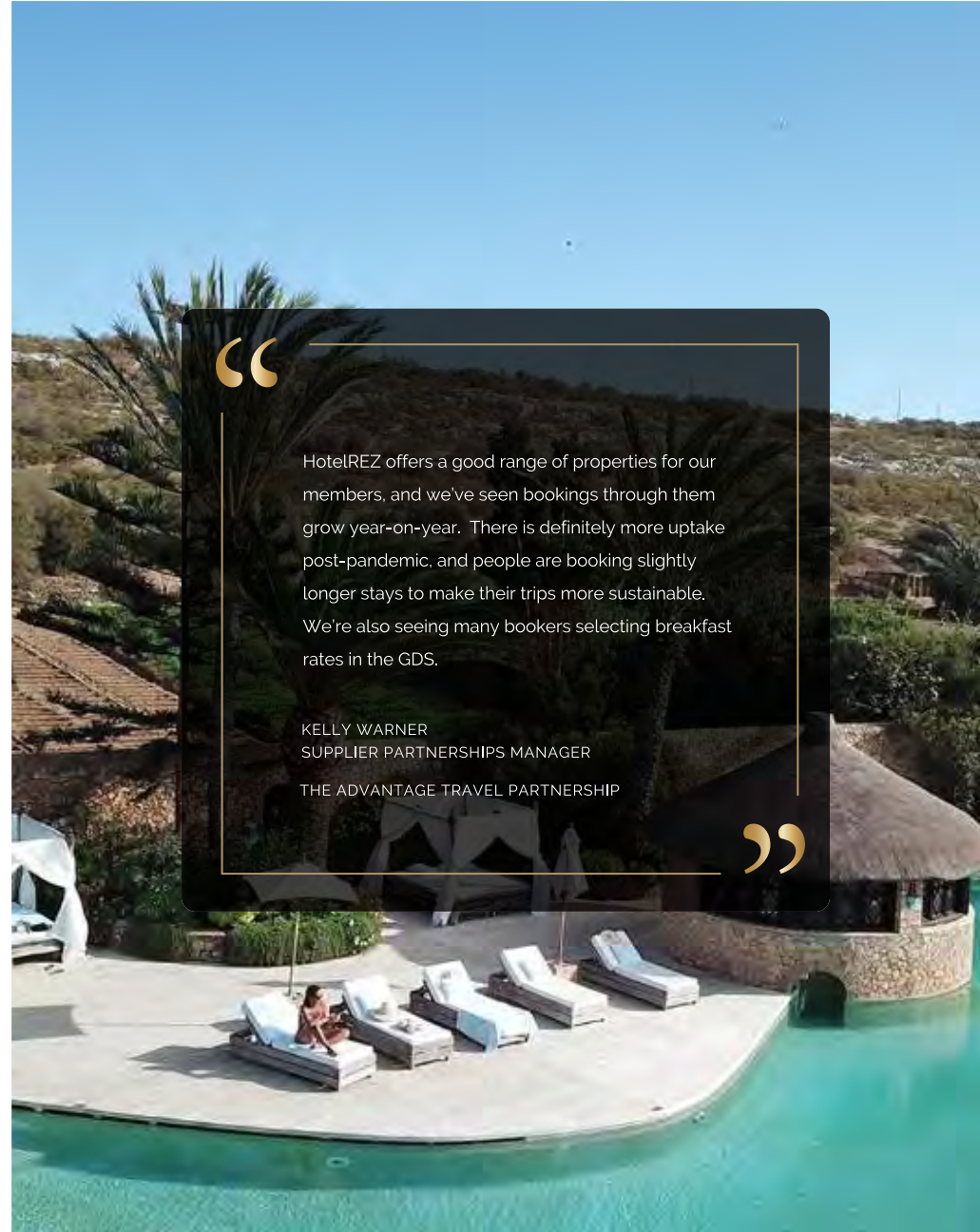


The GDS

For properties, the GDS should be viewed as an electronic brochure. Worldwide sellers rely on the Hotel Description (HOD) as a landing page for accommodation information. By ensuring this content is up-to-date, properties make the process of finding and booking their property easier for travel sellers.

In true 'build it and they will come' style, where properties provide full information and images, distribution is moving rapidly toward ever greater personalisation targeting buyers preferences and behaviour, ultimately resulting in greater conversion and authentic experiences for the traveller, repeat business and loyalty.

Rate parity is also important to the booker community, with **89% citing it as an important consideration** when recommending or booking properties for their clients.



“

HotelREZ offers a good range of properties for our members, and we've seen bookings through them grow year-on-year. There is definitely more uptake post-pandemic, and people are booking slightly longer stays to make their trips more sustainable. We're also seeing many bookers selecting breakfast rates in the GDS.

KELLY WARNER
SUPPLIER PARTNERSHIPS MANAGER
THE ADVANTAGE TRAVEL PARTNERSHIP

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TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



The GDS

The properties can incentivise agents through special rates or enhanced commission or value proposition, and ensure your lowest unqualified, or BAR rate, is correctly loaded, visible and bookable. Each GDS also offers a range of digital marketing and advertising campaigns to increase exposure, particularly during need times.

The key to driving GDS business is to build trust – in the information you provide about your property, in the rates that you provide, and in the quality and level of detail provided to bookers to ensure you gain a competitive edge.

Just as a client is often loyal to a travel agent, by developing a long-term relationship with TMC's, Consortia and global agencies via your representation company, you can ensure your property can become their first port of call for relevant bookings, which is a reason your choice of distribution partner is critical.

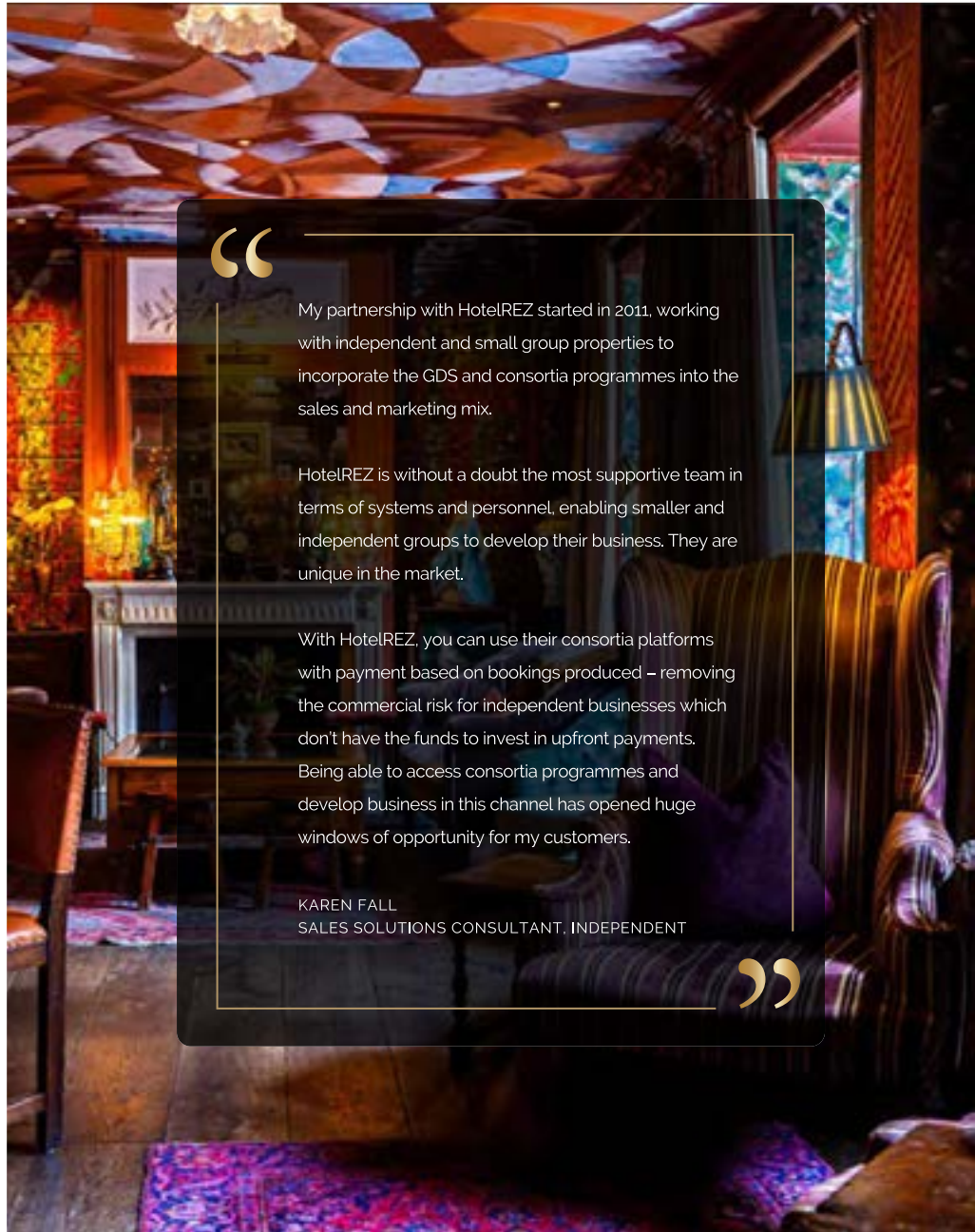


My partnership with HotelREZ started in 2011, working with independent and small group properties to incorporate the GDS and consortia programmes into the sales and marketing mix.

HotelREZ is without a doubt the most supportive team in terms of systems and personnel, enabling smaller and independent groups to develop their business. They are unique in the market.

With HotelREZ, you can use their consortia platforms with payment based on bookings produced – removing the commercial risk for independent businesses which don't have the funds to invest in upfront payments. Being able to access consortia programmes and develop business in this channel has opened huge windows of opportunity for my customers.

KAREN FALL
SALES SOLUTIONS CONSULTANT, INDEPENDENT



TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



The GDS

Growth Observations

Since the pandemic, HotelREZ has observed numerous trends contributing to increased bookings and usage of the GDS - which offers huge commercial opportunity for hotels and accommodation providers.



More SME Corporates

During the pandemic more small and medium-sized businesses reviewed their travel policies and suppliers, subscribing to Travel Management Companies (TMCs) and Travel Agents to manage their travel bookings.



GDS Self-booking Tools

With the explosion of third-party self-booking tools powered by the GDS - more corporate travellers are booking negotiated rates digitally, delivering greater efficiencies for businesses while managing travel budgets.



RFP Corporate Presence

With access to corporate TMC RFPs, properties can bid for high-volume business and generate a consistent revenue stream due to the level of demand available with corporate bookings.



Big TMCs Getting Stronger

Known players in the corporate travel refocused services and product offerings to add greater value to their customers, and have therefore managed to invest further in the right areas to support growth.



Stronger TMC, Consortia & Agency Partnerships

HoteREZ has experienced the benefits of increasing investment in developing key partnerships to support accommodation providers generate strong booking demand.



More Home Working Leisure Agencies

The GDS is no longer just a corporate platform, with networks of agencies booking for leisure and blended stays allowing properties to penetrate more international markets.

TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS

! The GDS



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The GDS drives high value bookings thanks to the relationships between travel advisors and their buyers. The pandemic highlighted the importance of having an expert handling your booking if the company has a travel sustainability policy, corporate social responsibility guidelines, a need to bill back facilities or have procurement rules in place.

Pair that with the stellar reputation agents have of ensuring they find the best deal for their customers, and we find that guests are happy to pay more overall – whether that be for additional services or higher room categories – when booking through commission-based travel sellers, driving the booking value through the GDS.

DANIEL SIMMONS, CCO
HOTELREZ HOTELS & RESORTS

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TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



Direct Bookings

DESKTOP & MOBILE

Digital first. It's no longer a marketing ploy, but a way of life, permeating every facet of day-to-day life. For properties, Direct Booking methods are a way to help maximise profit by reducing commissions and the cost-of-sale.

Direct booking remains the holy grail for accommodation providers thanks to its (usually) low cost of sale. As confidence in travel continues to build post-pandemic, direct booking channels are experiencing high growth – up 22.53% in 2023 vs 2022, and strengthening by 80.18% against their pre-pandemic standing.

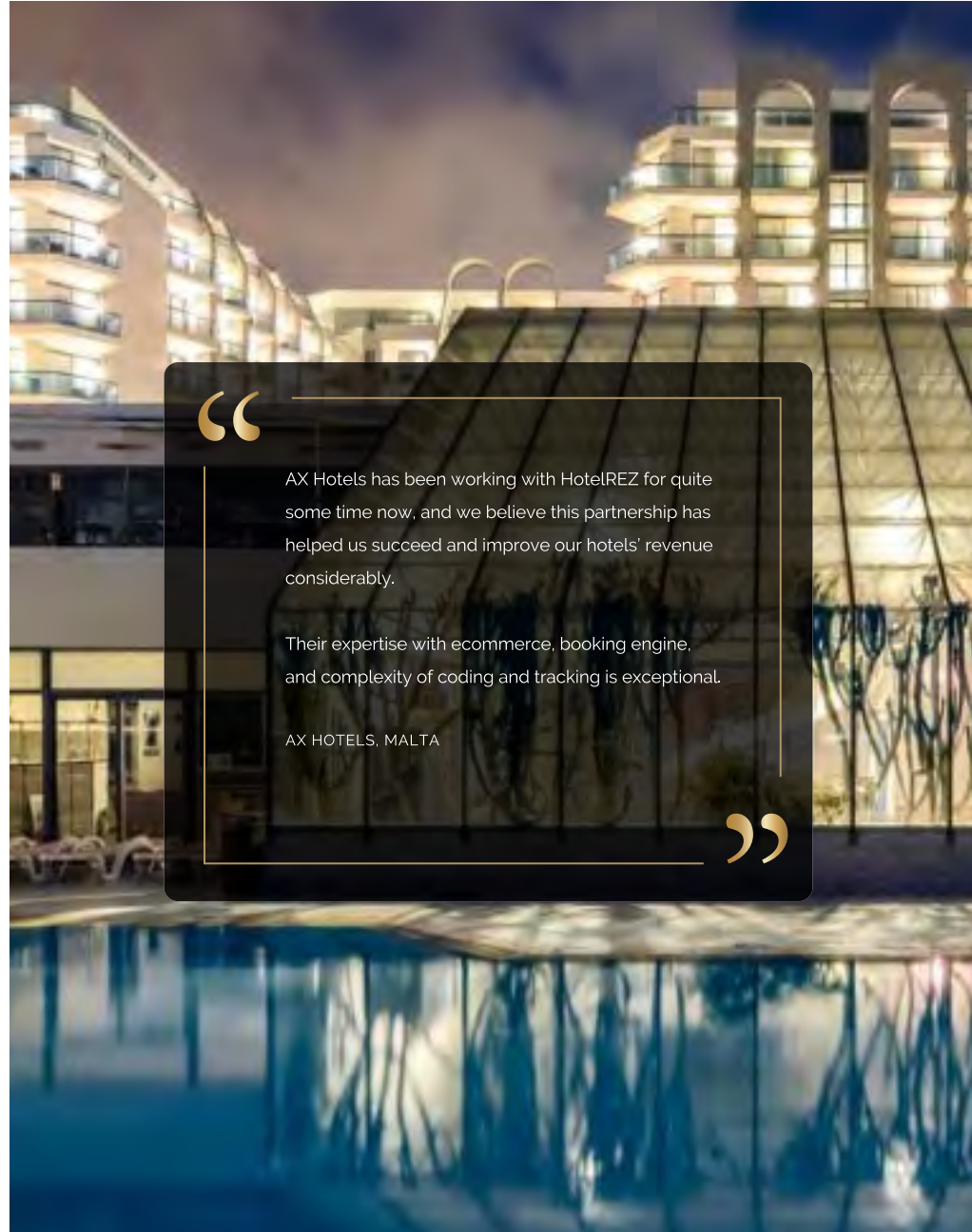
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AX Hotels has been working with HotelREZ for quite some time now, and we believe this partnership has helped us succeed and improve our hotels' revenue considerably.

Their expertise with ecommerce, booking engine, and complexity of coding and tracking is exceptional.

AX HOTELS, MALTA

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TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



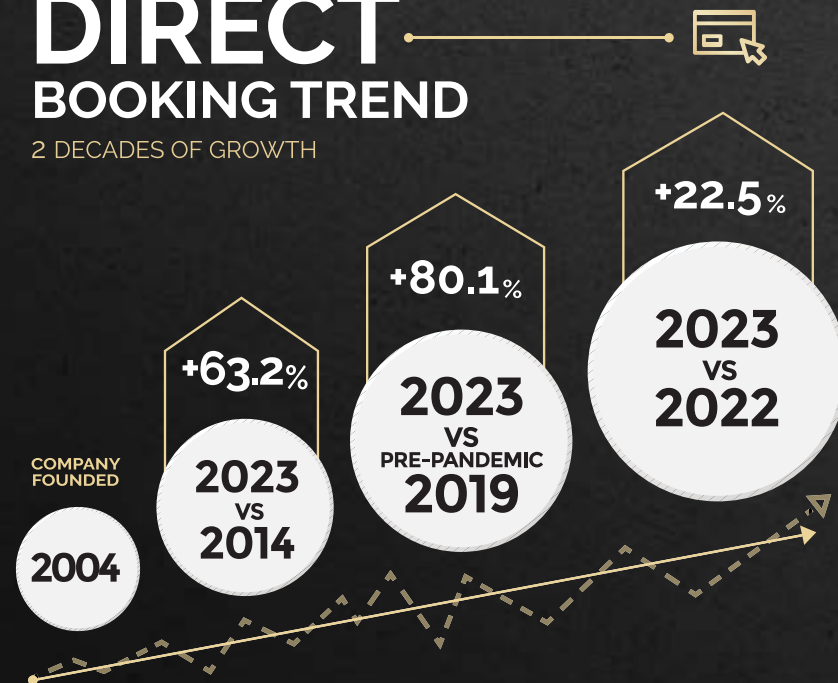
Direct Bookings

DESKTOP & MOBILE

Whether booking through a hotel/aparthotel website on a desktop or mobile – the latter now accounting for 31.86% of online bookings for HotelREZ clients, compared to 15.14% in 2019 – or using 'old fashioned' contact methods of email or phone, guests are starting to see greater value in Direct Booking over the likes of OTAs, thanks to properties providing greater perks beyond rate parity for people who book direct, such as in-room amenities, complimentary drink on arrival, or preferential room allocations.

DIRECT BOOKING TREND

2 DECADES OF GROWTH



TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



Direct Bookings

DESKTOP & MOBILE

Growth Observations

Increased acceptance and expectation from leisure guests to be able to book direct and digitally has helped accommodation providers secure demand that otherwise would go to third parties and OTAs.

However, independent properties have realised they need more than a website booking engine; a multifaceted approach is required to secure direct business and compete with established brand websites.

With the right level of support and market-leading tools, independent properties can erode this challenge and become more visible:



Metasearch Marketing

An exponential growth in metasearch is helping direct bookings become an increasingly valuable channel for driving bookings that improve profitability.



Google Visibility

The prominence of Google and utilising free listings supplemented by Ad campaigns surfaces a property higher in the search results, driving more profitable bookings.



Pricing widgets

By incorporating price comparison in the direct booking engine, guests have more confidence they are booking the best rate when booking direct.



Social Media Marketing

Utilising look-a-like audiences aligned to guest profiles helps find the right customers, with the right budget to maximise revenue.



CRM - Personalised Marketing and Loyalty

Building up guest data is essential for reducing the cost of bookings, particularly to maximise repeat bookings. More accommodation providers are using the CRM to distribute personalised offers to guests.

TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



HotelREZ Channel Connect

Integrating with CentralREZ, Channel Connect is HotelREZ's alternative to a channel manager, allowing their Central Reservations System (CRS) to connect properties to over 690 premium travel websites – including OTAs and tour operators' sites - around the world.

The role of HotelREZ Channel Connect is to allow better room and inventory control, whilst accessing a wider number of channels at a low cost, and also it offers properties even more than that – saving time for commercial teams having to manage multiple extranets via a channel manager with limited functionality and reporting.

Connecting properties to over **690** premium travel websites

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HotelREZ helped launch our GDS private label and brands. Moving to HotelREZ has been the best choice ever.

There are enhanced differences in functionality, and the service provided and support from sales, RFPs, opportunities, and marketing is excellent.

DORINT HOTELS & RESORTS

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TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



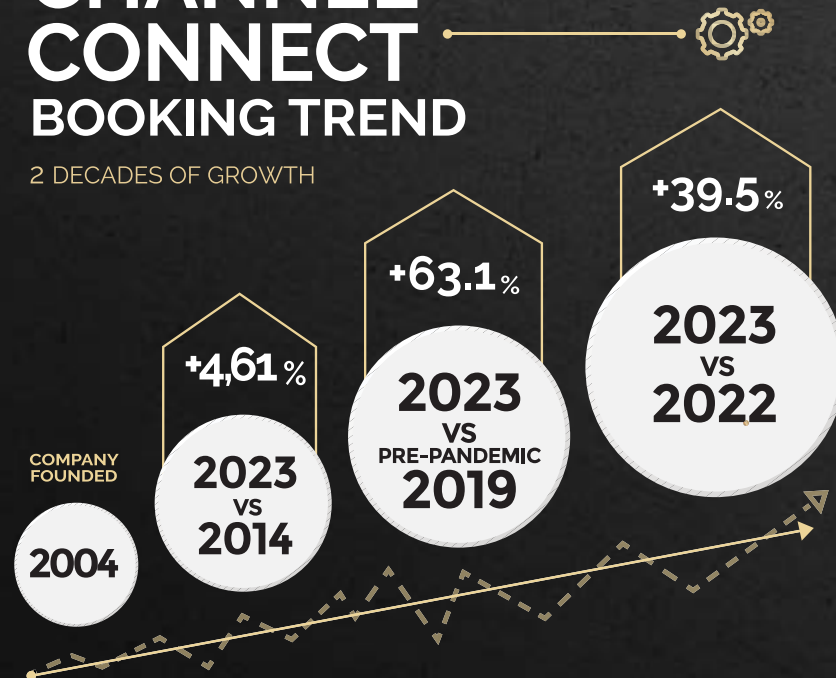
HotelREZ Channel Connect

Used as part of a focused sales strategy, channel connects can maximise bookings and revenue. Accommodation providers need to consider what are the right channels for them: where are their optimum guests going to be found? What channels can drive the right type of business at the right time?

Do you want a peak season, high rated booking from the likes of BA Holidays, or Kiwi Collection, or are you after a group booking during your low season from dhata? Perhaps you have some unexpected short-lead availability and need to drive 'heads in beds' through the likes of HotelTonight or Secret Escapes.

CHANNEL CONNECT BOOKING TREND

2 DECADES OF GROWTH



TOP BOOKING CHANNELS FOR HOTELREZ CLIENTS



Channel Connect

Growth Observations

HotelREZ has noted a number of developments in recent years as accommodation providers look to capitalise further on channel connects:



Increasing Use of CRS

More properties are adding OTAs to its CRS rather than use a channel manager to widen distribution at a lower cost and differentiate products better.



Airbnb

An increasing number of properties have been trialling the channel to check demand performance.



Niche Connects

Accommodation providers are adding more specialist channel connections to handle distressed inventory or work with high-end leisure niche partners to secure strong rates.

For many - particularly four- and five-star properties - working with third parties is now more about partnerships that deliver the right business, not sheer volume of bookings.

Conclusion

Finding the Right Mix

We are spoiled for choice in today's complicated landscape of distribution. Once guests decide travel dates, they need to consider how they'll book their accommodation. GDS users need to assess which properties they shortlist for travellers to consider.

Accommodation providers need to ponder which partners they work with to promote their properties and drive sales. They need more than just good tech - they need a solid representation company that offers marketing, demand generation and sales opportunities to increase exposure and drive business.

The GDS is thriving – despite increased competition in the digital first, consumer empowered booking world, it continues to flourish thanks to the value of travel agents being recognised post-pandemic.

Even business travel agencies are strengthening their position, as SMEs establish travel policies and partner with agents to help clarify properties that fit their travel brief – from sustainability criteria to location and rates.

For accommodation providers seeking sales success, a sales strategy that encompasses a diverse range of booking channels – ensuring not all eggs are in the same basket – is a way to build a healthy business. For accommodation providers seeking sales success, a sales strategy that encompasses a diverse range of booking channels – ensuring not all eggs are in the same basket – is a way to build a healthy business.



At HotelREZ, we use our long-standing experience in the industry to keep abreast of the ever-shifting market landscape and provide our accommodation partners with recommendations and actions to drive the right business at the right time.

20 YEARS
OF EXCELLENCE
est. 2004

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