



For **independent hoteliers** and owners of guest houses, B&Bs and pubs with letting rooms



Michael Cockman's **Hotel Profit Systems**

Sell more rooms, make more profits and have more time for yourself

Independent Hoteliers Must Learn to Profit from the Internet

For everyone involved in providing hospitality, the Internet is set to dominate our lives. A recent Merrill Lynch study predicts that by 2010 up to 45% of all hotel bookings will be made online. Of course this varies between countries and between types of hotel, with branded budget hotels getting up to 90% online.

But despite all this, I have found that there is a lack of real understanding by some accommodation operators about how they can capture their share of this booming distribution channel. This lack of understanding is all the more amazing when you consider 3 factors:

- It is now relatively easy for independent hotels to get **distribution**.
- The extreme power of **peer reviews**.
- How you can be exploited if you don't understand **Internet terminology**.

Distribution

The Internet has revolutionised the potential for independent accommodation providers to distribute their rooms. In the past, when you had to rely on traditional media advertising, it was only the large hotel groups, the franchises and the consortia that could afford to cost-effectively reach their prospects.

There was no way that a small independent hotel with only a few rooms could afford to advertise nationally. It is not quite all plain sailing now either. Some of the major search terms have been 'appropriated', so it is sometimes quite difficult to compete for organic search on the search engines. However if you are clever with your differentiation and market segmentation you can compete on even terms.

Independent hotels do not now need to seek protection from a consortium or a franchise, which no longer necessarily always provide more reservations than you can yourself.

Peer reviews

From a standing start, up to 75% of all travellers now research their visits on the Internet. This is not to say that they then actually make an online booking but they get their information this way. And this information includes not only what you say about yourself on your website but also what other people say about your product and their experiences of it. Always check out TripAdvisor and don't forget the reviews on the third party intermediaries such as LateRooms.com or Booking.com that send you reservations.

The other day I was reading about a study that had concluded that 24% of those that actually booked hotels and restaurants read online reviews before making a choice. They are also so trusting of these reviews that they are prepared to pay anywhere between 20% and 90% more if the service was rated '*excellent*' rather than just '*good*'. In fact it transpired that 80% of those searching for hotels said reviews played a big part in their choice.

This is a really awe-inspiring statistic and could be really frightening if you are not up to date with what guests are saying about you.

Internet terminology

A few years ago, when the potential of the Internet were not that clear, it was probably acceptable for business owners to claim ignorance of how the Internet worked. You could claim a computer phobia and let your children work it out for you!

But in my opinion this is no longer an acceptable way to run your business. How can you profess not to really understand a distribution channel used by around 33% of your guests to actually make a reservation, and 75% to explore the possibilities?

Any ignorance of some of the technical issues will leave you wide open to being exploited by suppliers who will trade on this ignorance. You need to understand how websites work and how they can be constructed to really deliver reservations. You need to know about e-mails, how to gather them in and how to send them out so that they are opened and read.

The truth is that the Internet in principle is not that complicated, although a lot of technical people do their best to make it appear much more so than it really is.

Michael Cockman is a writer and mentor who helps accommodation providers maximise their room revenue.

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