

Why hotels must nurture both direct bookings and OTA's

Prior to Covid, online travel agents (OTA's) had become the most popular booking option for people looking to get away. However, this changed with the arrival of the pandemic, and a GlobalData poll revealed a significant shift in consumer preference towards booking holidays directly with the establishments.

Siteminder's Top Booking Channels list for 2020 showed that direct bookings between April - December of 2020 ranked second, whereas in 2019 this was only the fifth-highest channel.



Source: Christin Hume via [Unsplash](#)

The reason for this says Theresa Prins, founder of Revenue Resolution, a company which offers revenue management strategy and services to the hospitality sector, is due to the uncertainty of booking a trip because of the virus. According to Prins, travellers are looking for control, flexibility, and the ability to make direct changes to their bookings, with quick refunds, and a streamlined process.

"For a period during Covid, we experienced a phenomenon where direct bookings with hotels exceeded bookings from third-party vendors like Booking.com. This was directly related to trust from the potential clients, as supposed to convenience. Potential customers had a need to connect directly with the establishment they wanted to book at in order to make sure that their wellbeing was being taken care of. Guest needed assurances that Covid protocols were being heard and that, if they could not travel for whatever reason, that they will not lose their hard-earned money."

However, Prins advises that now that things are normalising again as vaccine rollouts strengthen and more people return to travel, OTA's are once again gaining steady traction as a quick and convenient means to book one's holiday.

Direct bookings

"But this doesn't mean that establishments must let go of the hard work done during Covid to drive direct bookings. It pays to invest in direct bookings from a profitability perspective, as well as for brand loyalty. OTA's play a significant role in a hospitality businesses acquisition strategy, but as part of an ongoing customer retention strategy, and for the sake of future survival, it is important that those in the hospitality sector increase direct bookings while making the most of what online

travel agencies have to offer."

According to Prins, hotels need both direct bookings and OTA's. "Online travel agencies (OTA's) changed the way people book travel. They not only streamlined the way travellers shop for accommodation, but they forced those in the sector to evolve to become more competitive.

"OTA's provide a necessary marketing platform with access to a massive consumer segment and are able to reinforce brand awareness – hotels still benefit if travellers use OTA's for research before switching over to direct bookings. When hotels collaborate effectively with OTAs, they can reduce their number of empty rooms and boost revenue, especially during off-peak periods."

"To nurture and grow their share of the market, hotels must continue to capitalise on their direct booking offerings by investing in direct marketing, brand awareness and creative selling techniques," says Prins.

Website conversion

"We all know that a great direct strategy starts with a good website, and a good website must drive conversion to your booking engine. A well-functioning booking engine can compete with the convenience of an OTA booking site, with bookings on request or inquiry forms being a huge no-no as customers want instant results.

"When it comes to driving direct bookings, hotels should consider how a powerful story can tip the balance. Customers using an OTA site to decide on a hotel, often then visit the brand's website and so it is essential to showcase all available amenities - with high-quality photographs to build a strong visual identity."

"A stand-out website helps create a price/value equation that justifies market pricing, which in turn can help win the booking from a competitor," says Prins, who advises that other ways to drive potential customers to the website is through direct marketing initiatives like emailers and social media campaigns, as well as indirect marketing initiatives like metasearch listings.

"The combination of compelling direct marketing and broader distribution via OTA's provides a two-pronged strategic approach for hotels to maximize bookings and revenue income," concludes Prins.