

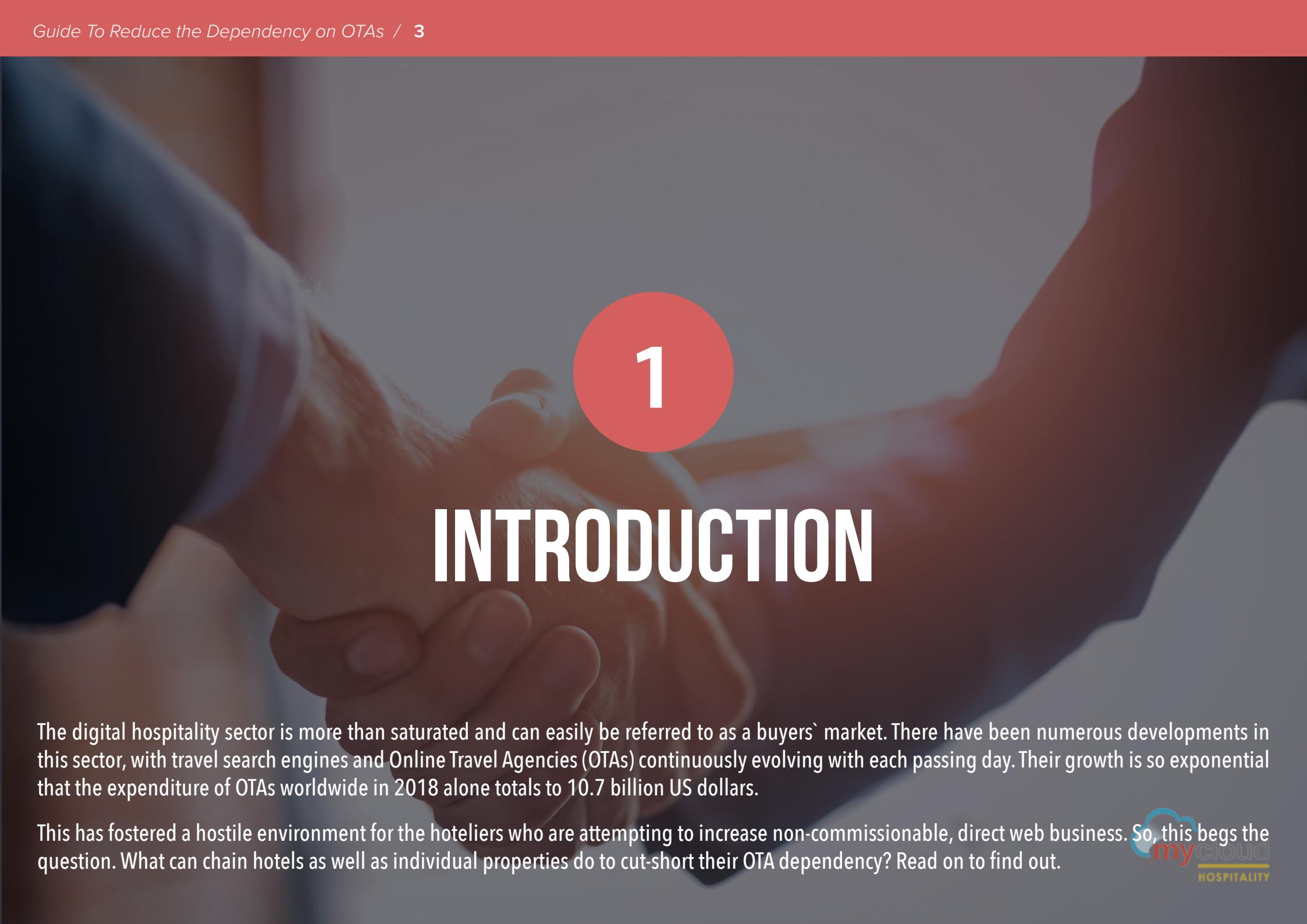
Guide

# TO REDUCE THE DEPENDENCY ON OTAS

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# INTRODUCTION

The digital hospitality sector is more than saturated and can easily be referred to as a buyers` market. There have been numerous developments in this sector, with travel search engines and Online Travel Agencies (OTAs) continuously evolving with each passing day. Their growth is so exponential that the expenditure of OTAs worldwide in 2018 alone totals to 10.7 billion US dollars.

This has fostered a hostile environment for the hoteliers who are attempting to increase non-commissionable, direct web business. So, this begs the question. What can chain hotels as well as individual properties do to cut-short their OTA dependency? Read on to find out.





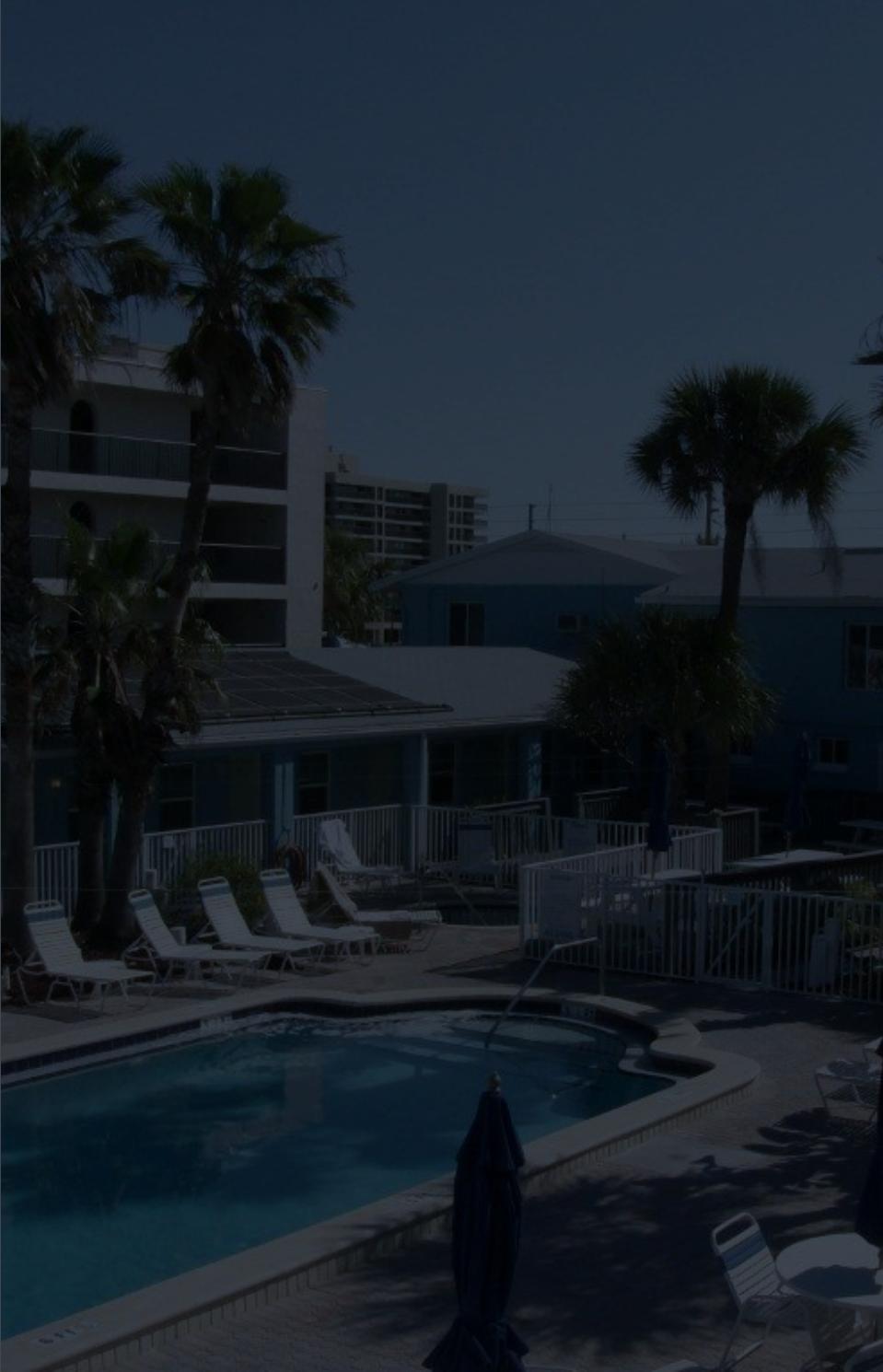
# WHY ARE HOTELS DEPENDENT ON OTAS?



## WHY ARE HOTELS DEPENDENT ON OTAS?

OTAs have mastered the art of selling, irrespective of the product quality or hospitality they are offering. A hotel can be a master of providing exceptional hospitality and product quality but remain reliant on an OTA's sales prowess. For you to have an idea on OTAs scale of activity, an estimate of 8-10% of Google's gross revenue globally (inclusive of their PPC spend) is generated by OTAs. This goes ahead to tell you of OTAs immense impact even in other sectors on top of the hospitality industry.

However, it is crucial for us to note that hotels have no reason for failing to be masters of the three tenets mentioned above, i.e., hospitality, quality, and sales. This can only be achieved if hoteliers have a concrete strategy of how they can reduce their dependency on OTAs. Below is an in-depth insight into how hoteliers can work to minimize their dependence on OTAs.



First and foremost the customer service is awesome. they are all so nice and very helpful. they strive hard to answer the questions in a timely manner. sometimes there is a whole team working on my issue so its done faster. The program itself is simple and really easy to understand (once you have done it a couple times). It has saved me loads of time as i am able to load items all at once instead of one at a time. Its very fast and syncs within seconds for real time availability.

The emails sent by the channel manager are spot on and very quickly sent from actual booking time to email transmission. this helps in keeping my real time availability up to date. I manage/maintain 8 properties on this channel manager and its a breeze. Admin is a piece of cake as well, i also love that you can add as many users as you want, customize their capabilities and send notifications to as many emails as you want as well. All in all the program is wonderful and so affordable. Its perfect for a big corporation or the smallest of properties. A++ in my book.

**TRISH L.**

Reservation Manager

*Liberte Management Group - Hotel Chain Property, Florida*  
<http://www.libertemanagement.com/>



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# GUIDE TO REDUCE DEPENDENCY ON OTAS



## 1) CONTENT STRATEGY

While it is crucial for hotels to ensure that their websites have rate parity, one of the most overlooked elements of minimizing dependency on OTAs is content parity. Descriptions, imagery and facilities data is supposed to be consistent across every channel. If visitors read different room descriptions, they are likely to select the ones that are most suitable to their needs in spite of the possibility that they will receive similar services regardless.

As a hotelier, you wouldn't want to lose bookings to OTAs only because you failed to mention complimentary newspapers in the room descriptions that are posted on your hotel's website. Centralized content distribution and image services are readily available but are quite costly for smaller hotels.

## 2) MARKETING AGREEMENTS

Based on the scale and size of the OTAs you are in partnership with, you could choose to negotiate with them directly on mutually favorable approaches. This, in turn, will assist you to reduce OTA strategies like "brand bidding" in PPC. You are likely to encounter resistance in this area, but you can rest assured that any ground you gain will be greatly profitable for your hotel. Dilute the "noise" for branded searches, and this will enable your site to stand out more and in the process increase the chances of guests purchasing directly from you.



### 3) AFFILIATE MARKETING/COLLABORATIVE STRATEGIES

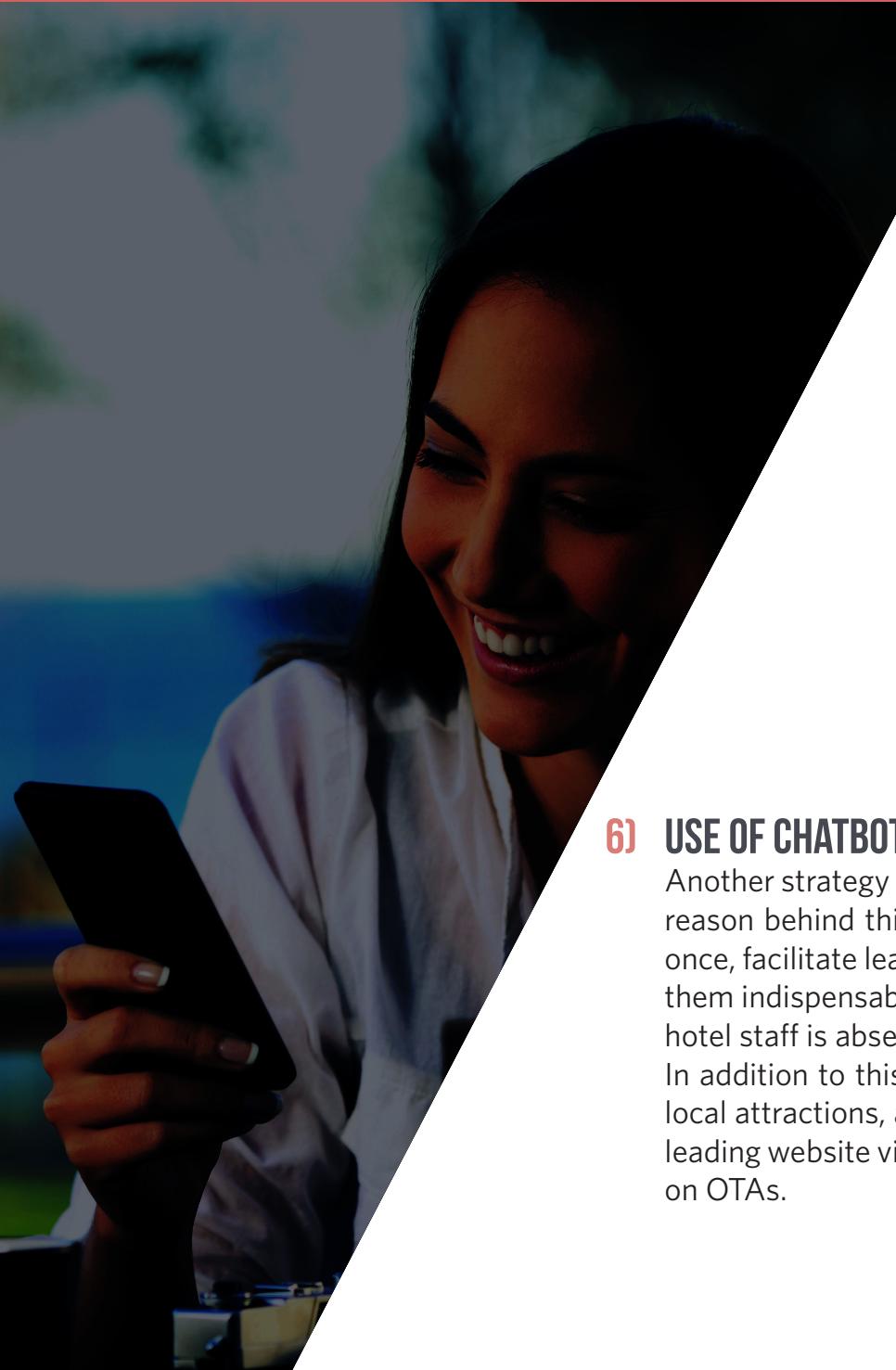
Establishing agreements with affiliate marketing partners (through affiliate networks) can aid hoteliers in doing away with some of the sites that have high commissions. An excellent example of this is collaborating with PPC affiliates using search terms that are branded and websites featuring co-branding at a small commission of about 7% could end up being more cost effective as compared to large OTAs that could require a 20-30% commission.

If hoteliers can push OTAs further lower in the sponsored search findings, then they will have unlocked the potential of acquiring a similar business as the OTAs, only at a much lower commission.

### 4) BENEFITS AND UNIQUE SELLING POINTS

Hoteliers can focus on the advantages of booking directly with their hotels and then craft mouth-watering promises around them. In case some OTAs can promote better deals, then the hoteliers should improve their offers. It isn't enough for hotels to promise only to match the rates that are being offered by OTAs because they have the additional advantage of reward schemes such as nectar points.

It is crucial for hoteliers to ask themselves these questions; "Can our hotel better the OTA offers? Can our hotel provide added value?" They should consider the reasons as to why guests would quit booking with established OTAs and go for direct bookings with them. It is also of importance for hoteliers to tread carefully when it comes to the wording of their promises. They shouldn't challenge guests to find the cheaper rates if at all they aren't confident that they have the best offers or else they could end up losing the booking in the long run.



## 5] BRAND AFFINITY

There are a number of tactics that hoteliers can employ to assist in building customer affinity with their brand. There is the option of using obvious channels such as social media to engage with the future as well as current guests. While it is difficult to attribute the direct returns of using such a strategy, brand discussion and the positive words discussed with guests is invaluable in the world of brand awareness.

In addition to the above, it is crucial for hotels to make it easy to make direct bookings with them. Using tools such as live chat could enable international guests to communicate effectively without using expensive telephone calls.

Such services, when combined with online translation tools such as Google translate, will go a long way in aiding in conversion as well as loyalty building. They assist in highlighting the brands which go an extra mile in making life easier for its guests and assist in differentiating the booking experience from the bigger OTAs.

## 6] USE OF CHATBOTS IN HOTEL WEBSITES

Another strategy that hoteliers can put in place is the use of chatbots in their hotel operations. The reason behind this is that chatbots are multilingual, interactive, can handle multiple chats all at once, facilitate lead generation and automate FAQs. These are just some of the features that make them indispensable to a hotel as they work to keep guests glued to hotel websites, even when the hotel staff is absent.

In addition to this, chatbots come in handy in showcasing the various hotel features, amenities, local attractions, and services. With the proper plumbing, chatbots are one of the best sources of leading website visitors down the path of booking a hotel hence reducing the dependence of hotels on OTAs.

# 3

# CONCLUSION

Reducing the dependence on OTAs is not an overnight piece of business. The strategies that have been expounded on above may take time to exert their full effect. However, it is crucial to note that by laying the foundations now, you will be better placed to reap the benefits within a few months.

Hoteliers should also know that if they give the cold shoulder to the increasing dominance of OTAs in the digital hospitality sector, then they risk damaging the sustainability and profitability of their hotels' digital presence. By incorporating the above strategies in their hotels' operations, hoteliers will be on the right track of reducing dependence on OTAs.



"mycloud PMS runs at its best to ensure the smooth efficiency of our front office department; it also keeps an accurate track record of statistics for the management team in order to make vital decisions. In addition, its POS system helps enhance food and beverage sales."



### ALEX BRESSERS

MANAGING DIRECTOR | BYD LOFTS BOUTIQUE  
HOTEL & SERVICED APARTMENTS

[www.bydlofts.com](http://www.bydlofts.com)



## ABOUT MYCLOUD HOSPITALITY

mycloud was developed by Prologic First, an independent, private company with over a decade and a half's experience delivering end to end technology solutions to the hospitality industry across the UK, Asia, Africa and the Middle East. One of the biggest barriers to adoption and usage that legacy systems face is the license and implementation cost which can run into thousands of pounds and is a big deterrent for hotels in adopting new technology. Looking at the current trend in technology in the hospitality sector, cloud computing is considered to be the biggest disruptive technology and changer. We will provide you with an easy to learn, state of the art integrated solution for your hotel management needs as well as providing an online presence at a much lower cost. In fact, mycloud may very well be at a lower cost than the cost of maintaining your legacy systems when you also take into account the loss of revenue due to errors and inefficiencies to which legacy systems are prone.

Mycloud HOSPITALITY provides cutting-edge integrated solutions for all aspects of hotel management, including revenue management solutions. Our services are reliable as well as cost-friendly.

Contact us today to find out how to boost your hotel business through cloud technology solutions!

**Schedule a Hotel PMS Demo**

(Our online demo takes about 30-60 minutes and you would need a desktop or laptop with microphone, speakers and Internet connectivity.  
Time shown here is in EST (Eastern Standard Time, -5:00 GMT)

**Award-winning hotel solution** by [financesonline.com](http://financesonline.com), hotel owner technology 2017, [softwaresuggest.com](http://softwaresuggest.com), [softwareadvice.com](http://softwareadvice.com) & [getapp.com](http://getapp.com) with capability user rating of 4.39