



HOTEL ASSOCIATION OF CANADA
ASSOCIATION DES HÔTELS DU CANADA

Presentation

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The Hotel Association of Canada

Tourism Industry Association of Nova Scotia

November 29, 2011

Halifax, Nova Scotia

Thank you for the opportunity to discuss online travel agencies (OTAs).

At the outset I would like to clarify that OTA's are not discount sites.

Secondly I hasten to point out that the brands have done a good job over the last 5 plus years in establishing Best Rate Guarantees and Rate parity.

Remember if a consumer is loyal to your brand and to your hotel they are generally going to book directly with you.

The customer knows they will be getting the best rate plus they receive their guest rewards which they won't get by booking through an OTA like Expedia. According to the HAC 2011 Travel Survey 45 percent of business travellers and 38 percent of leisure travellers attach great importance to loyalty programs.

Unfortunately Best Rate Guarantees are not always working.

Our HAC Annual Travel Survey shows 51 percent of travellers think they can get a better deal through an OTA.

This is up 9 points from 43 percent in 2010.

Although the difference is slight for leisure travellers (49-51percent), the difference for business travellers is growing – 2 percent last year and 6 percent difference this year.

So we have work to do.

Ladies and Gentleman I remind you hotels need not be scared to raise their rates.

Now the real question is how much are you willing to pay per acquisition and what is your most profitable channel to have the consumer book through.

If you presume your customers are loyal to your brand or your hotel, you can look at OTA customers as an opportunity to make them become your brand advocate.

Now if each Guest Service agent addressed each OTA guest asking if it was the first time they experienced the brand, they might find the margin they are paying is really only a marketing cost to bring in new business. I underline the word "new".

Truth be told consumers love the OTA sites for research and comparison shopping.

In a way they have done the brands a favour by becoming a trusted source in the consumer eye.

However this only happens if a hotel property listing, its photography and its reviews are favourable. Tracking has shown many guests use the information then book direct. Our HAC 2011 Travel Survey confirms this point.

You can't simply look at OTAs as the enemy. It is no different than giving tour operators wholesale rates a year in advance. And then finding you have left money on the table by underselling the demand on your inventory during that time.

What a hotel needs to do is to take responsibility to drive new sales and not just give inventory to an OTA to do it for them.

In my mind if we are paying the fees it's because we did not go out and capture that business.

So what can you do?

Make sure your brand page is up to date and you spend money on photography and video if needed.

Consumers want a rich experience and you should make sure your brand page reflects that.

Our HAC 2011 HAC Travel Survey shows 88 percent of leisure travellers look at photos, followed by "specials" at 86 percent and amenities at 79 percent. The numbers are even slightly higher for business travellers.

Make sure you claim your Google Local page. It is free.

We all want to claim or maintain our page.

This is one of the first things that will come up when someone searches for you.

So instead of clicking on an OTA sponsored ad, make sure your Google places listing is up to date and filled out.

Yes you need promos, photos, videos and maps. They are crucial.

OTAs are not the enemy but simply a new distribution channel; a different distribution channel with a cost.

The choice is yours.

Anthony P. Pollard

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