Top Tech Predictions for Hoteliers in 2017
Avvio's co-founder and CEO Frank Reeves knows a lot about the hotel industry, and has outlined his Top Tech Predictions for Hoteliers in 2017. To find out more about these predictions, speak to an Avvio expert on +353 (0)61 335680 or email hello@avvio.com

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The accommodation world is constantly changing. Leading technology solutions provider, Avvio has been providing premium ‘book direct’ services since 2002. It has grown year-on-year by developing cutting-edge technologies, enabling hotels and other accommodation providers to drive outstanding growth in direct bookings, while reducing dependence on online travel agency channels.

Avvio now services over 450 accommodation providers worldwide including the UK, Ireland, Europe and North America. Some partners include Classic British Hotels, Dalata Hotel Group and Cheval Residences.

In addition to the highly advanced booking platform, Avvio also has in-house design and digital marketing agencies, who provide best-in-class website design and digital advertising services. Avvio has Premier Partner status with Google across search, display, video and mobile advertising.

Talk to us today for more information on these predictions, and I hope Avvio can help to increase your direct bookings in the future.

Frank Reeves
Co-founder & CEO
From mobile-only booking rates to apps that serve as a room key, mobile devices have engrained themselves in many parts of hospitality. For consumers, 2016 was the year that mobile graduated from a way to browse hotel rooms to becoming a relevant platform to purchase. A recent report predicted that mobile bookings in Europe’s travel industry would leap from €21 billion in 2015 to €35 billion in 2017, an increase of 66% over two years.

With so many mobile devices available it’s now more important than ever to have a website that can adapt and respond to the device it’s being viewed on. Avvio’s team of design experts will prepare a bespoke, fully responsive website that will help convert visitors, no matter what device they’re using. Key to this is an understanding of the user, who may require more targeted information over a shorter time on the site. Pages and content should be filtered to target key information and reduce load times, the page layout also needs to be intuitive with larger buttons and familiar icons. Avvio uses on-going analysis including heat maps and A/B testing to fully understand the mobile user and their needs, ensuring mobile traffic conversion rates are constantly improving.

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Online Travel Agencies (OTAs) such as Booking.com and Expedia will continue to play a vital part in the distribution mix for hotels going into 2017. OTAs now account for around 18% of the global hotel industry’s revenue, an increase of four percent from 2010. Feeling the pinch from the recent rate parity rules across Europe, Germany predicts OTA bookings are expected to fall by 4% in 2017 while direct bookings are expected to increase by 3%. In contrast to the acquisition spree that some of the largest OTAs took part in previous years, 2016 was a comparatively quiet year which saw OTAs focusing on expanding their existing services, such as Expedia and Booking.com creating a partnership with TripAdvisor.

Avvio believes that the OTAs will continue to invest in mobile, and their first-party booking apps, to facilitate booking in as few steps as possible. With a number of high-profile acquisitions under their belt (including Expedia’s purchase of Homestay, a sharing economy company similar to Airbnb), OTAs are likely to renew their focus on competing with not just hoteliers but providers of alternative accommodation as well.

Google has continued to emphasise the importance of mobile by re-introducing functionality that allows Google AdWords users to make separate bids on keywords depending on whether the visitor is searching on mobile, tablet or desktop. Google is also expanding the reach of its ads by showing them as part of local searches on Google Maps. Businesses that aren’t listed in the top three ad positions on the first search page can still be listed on Google Maps but without metasearch connectivity to their direct channel this business will go straight to the Online Travel Agencies.

Google also made a direct move further into the travel industry in 2016 – with the launch of the Google Trips app and their Hotel Prices API (or Google Hotel Finder) – allowing guests to book hotel stays from selected partners without having to leave Google’s search engine page. This channel is currently part of Avvio’s Metasearch offering alongside others including TripAdvisor, Trivago, Kayak and Skyscanner. As a Premier Partner with Google for search, mobile, video and display advertising, Avvio uses the latest technology and our in-house experts to ensure that your ads always reach the right audience.

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2. Four key features to appreciate about Google Trips, Econsultancy, January 2017 (https://econsultancy.com/blog/68688-four-key-features-to-appreciate-about-google-trips/)
The explosion of the sharing economy is shaking up the hospitality industry. The conventional hospitality experience is being challenged and tested in ways unthinkable just several years ago, and for hoteliers and other accommodation providers, grasping the opportunities and challenges that this marketplace presents can make the difference between success and bankruptcy. One study found that each 10 percent increase in supply on Airbnb, causes a decrease of 0.37 percent in monthly hotel revenue. The study also found lodging specifically catering to business travellers was more negatively impacted than to budget hotels. As a result, many hotels in affected areas have responded with lower prices, certainly a benefit to consumers that do not participate in the sharing economy.

For better or worse, peer-to-peer accommodation is here to stay. However, it’s not all positive for alternative accommodation providers: tighter restrictions on hosts by authorities may prove to be a vital boon for the rest of the hospitality industry. In October 2016, New York State enacted one of the toughest sanctions of illegal tenancy with fines up to $7,500 to tenants and landlords who rent out properties for less than 30 days.

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Airbnb sued over this legislation, and subsequently dropped its litigation⁵. London guests may not rent a property for more than 90 days without receiving permission³; and landlords in Berlin have been effectively banned from renting out short stay rental apartments⁴.

Airbnb is looking to offset the current trend of government blockades by diversifying its portfolio with the acquisition of alternative payment company ChangeCoin⁵. The accommodation sharing community, which last year surpassed its 100 millionth guest is also looking to go beyond merely being an accommodation provider, to orchestrating their users’ entire experience while they travel. The purchase of Trip4real in September 2016 means that Airbnb users are able to browse local activities, such as cookery lessons or tours in a similar way to how they currently look for accommodation. Complementing this move is the launch of Airbnb Trips which allows travellers to book dining reservations and even flights in the future⁶. 2017 will no doubt seen Airbnb focus more on becoming not just an accommodation provider, but a marketplace for local experiences.

“Tighter restrictions on hosts by authorities may prove to be a vital boon for the rest of the hospitality industry”

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⁷ The City With the World's Toughest Anti-Airbnb Laws, Citylab, December 2016 (www.citylab.com/housing/2016/12/berlin-has-the-worlds-toughest-anti-airbnb-laws-are-they-working/509024/)
If you’ve ever used personal assistants on your mobile such as Siri or Microsoft’s Cortana, you’ll have an insight into how artificial intelligence (AI) and chatbots are beginning to become part of our daily lives. Whether booking flights on your behalf, or providing technical support; chatbots allow 24/7 availability to enable customers to help themselves, at relatively low cost to the business.

As consumers tend to stick to using a small number of apps on their phones, some popular apps already allow businesses to integrate their own chatbots and communicate to users. In April 2016 Facebook Messenger, the eleventh most popular free app, launched their chatbot system for business. Marriott hotels launched its Rewards chatbot last year, and Edwardian Hotels in London created ‘Edward’ to help quickly respond to customer queries. Amazon has recently introduced Alexa, an in-home personal assistant which has also been introduced in all rooms at the Wynn Las Vegas to control various hotel features. The use of AI, like chatbots is set to rise in the coming years. AI can also open new purchase channels for prospective guests who may want to book without leaving Facebook, or provide booking reminders in lieu of traditional pre-stay emails. We will undoubtedly see chatbots and other forms of AI rise in importance over the coming years, as their services become more trusted.

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1 Apple iTunes App Store, January 2017
2 Wynn Las Vegas to add Amazon Alexa to all hotel rooms, CNBC, December 2016 (www.cnbc.com/2016/12/14/wynn-las-vegas-to-add-amazon-alexa-to-all-hotel-rooms.html)
Metasearch brings together rates and availability from across several different sources – namely OTAs and the hotel’s website to compare the prices across these channels in one place. Where paid metasearch has previously been based on a cost per click model like Google and Bing PPC, the advent of services like TripAdvisor Instant Book has led to metasearch platforms taking a cut on booking value and moving them closer to an Online Travel Agency model.

OTAs and hoteliers will need to think carefully about which channels they will allocate their budgets to, and be prepared to drop channels that are not delivering a good return on investment.

In the second half of 2016, Avvio found that Google hotel ads grew in popularity, with the traffic and revenue generated outperforming TripAdvisor and Trivago.

In Q4 of 2016 the average CPA for Avvio clients on Metasearch came in at 9%.
User experience is a vital part of web design and based on feedback from Avvio clients, 2017 will see a greater focus on minimalistic layouts than ever before. Web design will be easy to navigate for guests, combining a good use of striking imagery, clean typography and user-orientated design; creating a website that is user friendly and visually striking on all devices.

Dublin's 5-star Dylan Hotel offers a brilliant example of this design.
User personalisation will continue to be a sought after feature for hotel customer relationship management systems (CRM) in 2017. Coupled with a CRM, a personalisation module allows your website to gather information about visitors as they journey around your site and provide opportunities to upsell as they book, adding personalised touches to future communications.

Personalised messaging can be developed from customer behaviours and insights to make you stand out from the crowd, and help turn one-off customers into loyal guests. Avvio provides a top-tier personalisation module as part of the powerful Engage by Avvio, a CRM which provides guests with a personalised booking experience, while maximising your direct revenue.
While online payment methods like PayPal have been around for years, there has been a rapid increase in use of alternative payments via smartphones and in-app purchases, such as Android Pay, Google Wallet and Apple Pay – offering convenient in-store and online payments. While the hospitality industry has been slow to take up this new technology, changing opinions have led to agile companies like Expedia, Priceline and Airbnb now accepting Apple Pay.

Barring a few early adopters, the ‘wait and see’ attitude of is likely to continue into 2017 as hoteliers observe which, if any, new payment methods become popular enough to go mainstream.
2017 is the year that the book direct movement will capitalise on the support it received from international chains like Marriott and Hilton. Early in 2016, Hilton, the world’s second largest hotel chain, lodged their ‘Stop Clicking Around’ campaign, focussing on the benefits of booking direct – highlighting their loyalty programme and exclusive direct-only rates 1. And it worked; in Q3 of 2016 Hilton reported 28% of their web distribution mix was now through direct channels, their highest ever recorded 2.

Direct booking benefits are not just for large international chains, who can go head-to-head with the OTAs; independent hotels and smaller groups can also reap the benefits of booking direct while maintaining a working relationship with OTAs.

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1 Skift Megatrends 2017, Skift, January 2017 (skift.com/tag/megatrends-2017/)
Avvio understands how quickly the digital landscape can change.

Talk to us today for more information on how to increase your direct booking revenue, and reduce reliance on OTAs. Avvio offers Europe’s best booking engine along with a top tier CRM, in-house web design and peerless digital marketing services.

For more information, speak to one of our experts.

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