

Online Bookings Case Study

**How to build a successful web site that
generates your hotel or resort more
bookings than you can handle**

August 2004

Introduction

Web sites provide resorts and hotels with a tremendous opportunity to generate large numbers of direct bookings.

That's the basis of this Case Study.

In the next 16 pages we'll take you step by step through what Queensland-based Tailored Consulting implemented with a client's web site to transform it from a poorly performing site to a highly effective and profitable (and easy) sales channel for their small holiday resort.

- This is a site that went from **0 to 115 booking requests** in just 8 weeks
- This is a web site that **now generates an average of 4 booking requests per day**

Direct bookings are hugely beneficial

As a resort or hotel manager you will know that direct bookings are hugely beneficial because:

1. **no paying 10-20% commissions** to third parties
2. a **better tariff yield**
3. the **commissions via add-on sales** – such as theme park tickets, transfers etc

A correctly developed site will work. Every single time. And you'll see how easy it can be in this Case Study. You'll learn:

- The importance of quality design
- The piece of information you **must** have on every single page
- The only thing web visitors want before they'll take a good look at your site

And you'll get to see our simple step-by-step approach that has worked wonders on the featured web site – www.burleighonthebeach.com.au.

Real web site. Real facts and figures. Real time.

A real web site. The web site featured is www.burleighonthebeach.com.au.

Real facts and figures. (We have gained the full permission from the Resort Managers, Colin and Cath Finlayson, to disclose all information contained within this Case Study).

Real time. This Case Study was first distributed on August 11, 2004. The timeframe of the site development as discussed here was the beginning of June to the end of July, 2004. This Case Study represents what works right now.

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Web based bookings overview

In a crowded and technologically advanced marketplace, smaller hotel and accommodation complexes are fighting an uphill battle to capture the eyes, bookings and wallets of the traveler.

With the huge explosion in online accommodation booking savvy hotel/accommodation companies are reaping the rewards of the best chance at direct to consumer contact ever. By being able to access the end user at time of booking, hotel/accommodation companies have the opportunity for tremendous growth. And that's tremendous growth without the added burden of an up-to-25% commission payable to travel agents and accommodation wholesalers.

Intermediaries grab market share

What was a tremendous opportunity for hotel/accommodation businesses has quickly turned sour. Web savvy intermediary companies – such as Quickbeds.com.au, Wotif.com.au, and the new QANTAS accommodation site – quickly grabbed market share through utilizing strategies that appeal to the busy traveler: **discounts and convenience**.

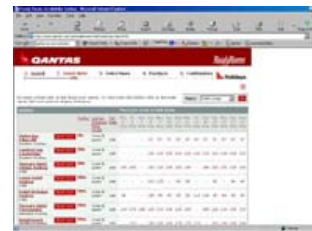
With the branding, technology and resources these companies now possess, it has become an uphill battle for smaller hotel/resorts to gain a share of the direct booking market.



Quickbeds.com.au



Wotif.com.au



Qantas.com.au – Ready Rooms

Web savvy intermediaries well-positioned within online bookings market

Many hotel/accommodation businesses have moved part of their guest acquisition from travel agents/wholesalers to the intermediate web site – web sites that the supplier competes on by offering huge rate discounts. And then pays a 10% commission on these reduced yield sales.

Direct bookings up to 7 times cheaper to process

Research shows the strength of direct bookings via the hotel/accommodation business web site. With costs 7 times less than when using the more traditional Travel Agent model, direct online bookings are extremely attractive.②

But how does the smaller hotel/resort with limited resources compete against the heavyweights of the online world?

The following Case Study - **How to build a successful web site that generates your hotel or resort more bookings than you can handle** – details the easy and quick success of **Burleigh on the Beach**, a 35 apartment holiday resort on Australia's holiday playground.

Burleigh on the Beach – marketing from a standstill

35 unit resort at beautiful Burleigh Heads

Colin and Cath Finlayson are experienced **Management Rights*** (* see Appendix A - pp 12) owners, having previously owned the Rights to a 39 apartment building in the middle of Surfers Paradise, Queensland. After just 18 months they had turned a significant profit, both in terms of commissions and, subsequently, equity growth.

After selling the Management Rights to the complex, the Finlayson's took a six- (6) month break. Upon considering their future, they once again decided to enter the Management Rights industry. After closely reviewing a number of properties, they eventually settled on the Management Rights of the **35 unit "Burleigh on the Beach" resort** in popular Burleigh Heads – a seaside holiday town on the Gold Coast.



Beautiful Burleigh Heads – seaside town popular with families and surfers

With 31 x1-bedroom units, and 4 x2-bedroom units, Burleigh on the Beach is geared towards the short term holiday maker. Situated close to transport and just a very short walk to the beach, the 4-star resort offers good quality accommodation to the budget conscious traveler.

With their previous experience in the industry, the Finlayson's quickly set about improving the property.

Quality experience from the start

"The key to a successful resort management business is happy guests. You have to provide a quality experience from the minute they step in the door. That means nice apartments, ongoing cleaning and a happy and bright staff," says Cath Finlayson.

With the resort now up to their standards, the team started the process of marketing the resort.

"We didn't want to jump straight in and market because we weren't comfortable in having people come here if we weren't happy with the facilities. A big driver of our business is word of mouth – if we had 100 guests who came when the property wasn't quite up to scratch, you can rest assured that they wouldn't be telling their friends about us in a positive way," said Finlayson.

Origin of sales

The profile of sales generation varies significantly from resort to resort, hotel to hotel, depending on a whole range of factors related to the marketing focus of each individual establishment. As a broad generalization, the marketing analysis of sales might include the follow categories:

Sales origin	Cost per sale to hotel/resort*
Wholesalers	20%
Travel Agents	10-20%
Web intermediaries - such as Wotif.com.au	10%
Telemarketing (external)	Reduced yield
Advertising (Print, Media, Radio, Outdoor & Web)	8%
Direct Mail	5%
Web site	1.5%
Previous guests	0
Recommended by friend	0
Walk in	0

* Approximate only

Traditional marketing commenced

Using the more traditional resort marketing methods of approaching wholesalers, travel agents and using web intermediaries generated some sales to kickstart operations. Print ads were taken with minimal success.

The next move in the marketing mix was to review the resort's web site. With a **far lower cost per sale** than almost any other form of new guest acquisition, the Finlayson's were aware of the importance of a web based sales avenue.

"We knew the web site could do more, we just weren't sure how much," said Colin Finlayson.

Tailored Consulting, a Queensland-based web development company the Finlayson's had worked with previously, were asked to review the resort web site.

"We'd developed a terrific relationship with Tailored at our last property and asked them in to take a look at the web site we'd inherited when we purchased the Management Rights at **Burleigh on the Beach**," said Finlayson.

Cause for concern

What Tailored Consulting found was cause for concern.

"The previous web developer had designed a site that wasn't really functional or very useful. It was attracting minimal targeted visitors. In the 12 weeks up until we asked Tailored for the review the site had generated us just 2 enquiries. Neither of which turned into a sale. Previous to that the site had minimal impact," said Finlayson.

But worse news was to come.

Even worse was to follow

“Tailored found 10 links on the Home Page of our web site. Incredibly 9 of those links were directed to an external accommodation booking web site. This web site charged us a 10% commission on any bookings they received. Very surprisingly, that accommodation booking web site was owned and operated by the previous designer of the resort’s web site!

We were in effect paying the old designer to attract visitors to our site, which were then directed to his booking web site. We’d then have to pay him 10% commission on bookings,” said Colin Finlayson.

Control of the domain name, new web host and removal of offending links

Because of the previous strong working relationship, Tailored Consulting was able to move quickly. The team gained control of the resort’s domain name, moved the web site onto a different web host and removed the offending links from the Home Page.

“Within 24 hours we had control of our site and had stopped the links to the previous designer’s web site,” said Finlayson.

“The very next thing Tailored did was insert a tracking statistics program onto the web site. From day 1 we could closely analyse:

- visitor numbers,
- visitor origin,
- visitor behaviour and
- much more.

If a person finds our site via clicking on a Google AdWords, then looks at 7 pages and then makes a booking – we know all of that. Which means, for example, we can make well informed decisions about continuing with Google AdWords. That is tremendously beneficial for our bottom line,” said Finlayson.



Tracking software, such as Advance Logger, provides information required for making informed decisions

Planning meeting

A planning meeting was then held to establish the needs and wants for the site. In close consultation with the team at **Burleigh on the Beach**, Tailored developed a plan of action.

“A resort web site needs to generate bookings. To do this you need three things:

1. Attractive and functional web site
2. Information the visitor needs to make a decision

On top of those aspects you need 3) visitors. And plenty of them,” says Joanne Kershaw, Tailored Consulting’s Web Manager.

Goal – from 0 to 5 bookings per month

The initial goal was to build the web site visitor numbers to 200 per month within 3 months, with 5 bookings per month via the web site in that time.

“When you develop a web site for an accommodation bookings an overriding aspect is to provide site visitors with the information they want. That information, in approximate order, is this:

- apartment/room tariff
- availability
- apartment/room décor and resort facilities
- resort location

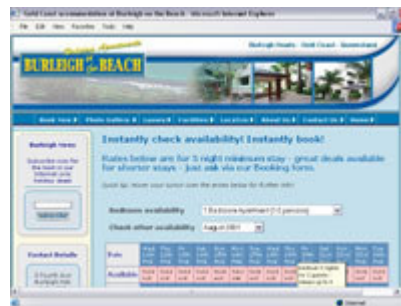
It’s been our experience that if you don’t give the visitor the rates and availability as soon as possible, they’ll go elsewhere. That was our major consideration,” said Kershaw.

Step 1 - Simple site design

Tailored developed a site design that encapsulated the resort's positioning within the market –quality, no-fuss design.

An extensive Stanford University (USA) study released in 2003 found that over half of all visitors (50.5%) to travel related web sites **“assessed the credibility of the site based in part on the appeal of the overall visual design of a site, including layout, typography, font size and color schemes. Next most common were comments about information structure and information focus.”**^①

“Quality design reassures the visitor that this is a quality resort with great apartments and a clean pool. That is superficial, but it is - to a large degree – how the visitor thinks.



Simple design equals ease of use

Our very simple site design was intended to reassure the visitor and then provide him or her with the information they required in a logical progression,” said Kershaw.

Rates & Availability display

In a radical departure from ‘normal’ resort web sites, Tailored tested a rates and availability calendar at the top of the Home Page.

“Most sites have the welcome message at the top of the Home Page, but what we’ve found is that people don’t want a flowery opening. They **want to know if they can afford to stay here** and, if they can, are there apartments available. Once they know that, they’ll happily continue looking and decide on staying at the resort.

Until web visitors know the rates and availability, they are simply not a qualified buyer. A mistake we see all the time on sites is a ‘Request for booking form’ not displaying the rate or availability – just a simple “Let us know when you want to stay and we’ll get back to you.” That’s not going to work,” said Kershaw.

Bedroom availability

Check other availability

Date	Wed 11th Aug	Thu 12th Aug	Fri 13th Aug	Sat 14th Aug	Sun 15th Aug	Mon 16th Aug	Tue 17th Aug	Wed 18th Aug	Thu 19th Aug	Fri 20th Aug	Sat 21st Aug	Sun 22nd Aug	Mon 23rd Aug	Tue 24th Aug
Available	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out	Sold out
Date	Wed 25th Aug	Thu 26th Aug	Fri 27th Aug	Sat 28th Aug	Sun 29th Aug	Mon 30th Aug	Tue 31st Aug	Wed 1st Sep	Thu 2nd Sep	Fri 3rd Sep	Sat 4th Sep	Sun 5th Sep	Mon 6th Sep	Tue 7th Sep
Available	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65

Click here for the rates & availability for the next 28 days

minimum 5 nights for 2 guests - sleeps up to 4 (\$12 per extra guest)

Just rates and availability section

"It is also important to display the telephone number in an easy to find place – we recommend having it in the same place on every page. It's been our experience that up to 25% of bookings generated after viewing a web site will come in via the phone.

Not everyone is comfortable with providing details over the web. The telephone is easy, convenient and simple. Make sure your number is easily found and your bookings will increase," said Kershaw.

2 hours work to input an entire year's information

The rates and availability display is simply managed via a login web page. The Finlayson's were provided with a simple user manual and an hour of training.

"I spent probably 2 hours putting in our rates and availability for the entire year. Since then we've only had to edit the site a few minutes a day. It's very simple to do," said Cath Finlayson.



A simple interface allows easy data entry by resort staff

The fully searchable rates and availability display was complemented by an online booking form where visitors could request a booking or a quote – without having to provide a credit card number.

"One of the strongest barriers to online buying is concerns about security of credit card numbers. We wanted to remove every barrier to booking, so the booking form does not request a credit card number. When we compare the visitors:booking requests ratio to sites that do require credit card information, we see a very strong indication that requesting credit card information is a bookings killer," said Kershaw.

The instant the booking form is sent, the visitor receives a return email thanking them for the booking. A very simple touch that aids the positioning of the resort as technologically advanced and responsive.

No ongoing fees

An added attraction for the Finlayson's was that the online display and booking system carried no ongoing fees.

"We originally developed our Rates and Availability display software and booking form because the others on the market were too expensive for the smaller hotels and resorts and they also carried ongoing fees. We have a range of resort clients using various booking systems and I'm pleased to report that ours seems to work the best by far.....and it's much cheaper," said Kershaw.

Relevant information added

Resort information was added, along with location maps, directions and an extensive photo gallery. The site was developed with ease of use being a major consideration – this being addressed with simple sales copy and clear direction.

"The site is simple. Very simple. Nothing fancy, nothing to distract the visitor from accessing the information they require quickly and easily and moving on to doing what we want them to do – make a booking," said Kershaw.

Step 2 - Initial web site marketing

Initial marketing of the web site consisted of basic search engine work (site linking, directory listing and search engine submissions). Following on was a minor increase in online advertising expenditure and the application of the web site address onto various business literature, such as new brochures.

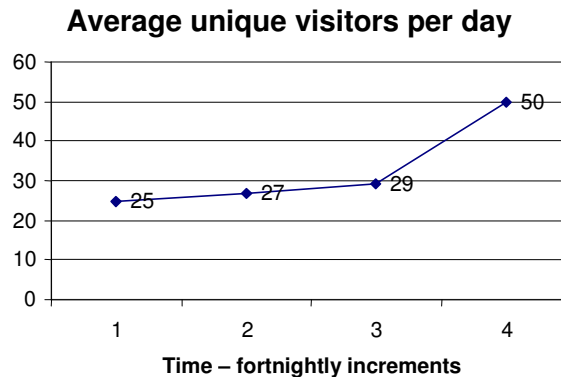
Strategic positioning of the site within the online marketplace was commenced.

Visitor numbers start the climb – 1,700 in 8 weeks

According to Cath Finlayson, the number of visitors to the web site prior to redevelopment was unclear.

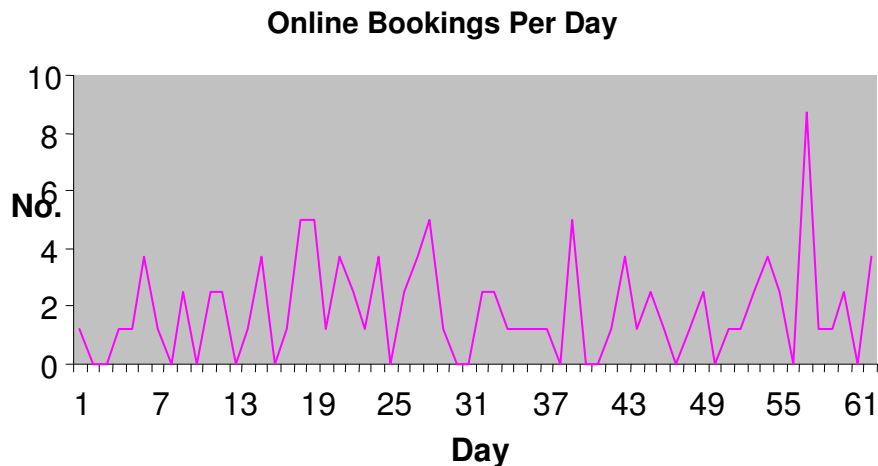
“We didn’t have access to the statistics so I’m unsure as to accurate figure. At a guess I’d say no more than 3 or 4 visitors a day. We only ever received a couple of enquiries in 3 months,” she says.

Visitor numbers started rapidly climbing almost immediately the new site was completed - from 2 per day to 13 and then to 25 per day after just 2 weeks. At time of writing, visitor numbers are averaging 50 per day with a peak of 64



Bookings explode – 115 booking requests in 8 weeks

Direct bookings via the web site have been beyond all expectations. In just eight- (8) weeks the site has generated 115 booking requests, with the record day being 9 bookings direct from the web site. (Original goal was 5 bookings per month.)



Conversion rate 7% of visitors

115 booking requests from 1,700 visitors equates to a booking every 15 visitors (a conversion rate of just under 7%).

“That’s an exceptional conversion rate, indicating that the positioning of the site to the right target market has been effective,” said Kershaw.

And according to Cath Finlayson, the direct bookings result in a huge lift in profitability.

“Direct sales via the site are hugely beneficial to the business for a wide range of reasons – higher tariffs, full control of the process, less costs and much more. We also have the opportunity to make many more add-on sales such as theme park tickets, hire car and tours to our guests. Commissions on these sales really add up,” she said.

Step 3 - Ongoing management

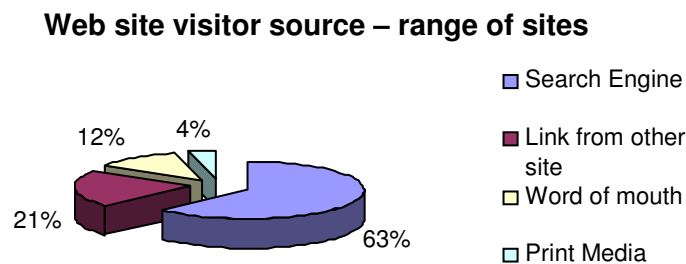
Tailored Consulting now provide ongoing management of the site by editing and adding pages, optimizing pages for search engines, taking care of hosting issues and providing general consulting advice for \$198 per month.

The site is ever changing with various headings and copy being tested on a regular basis.

“What you see on the web site today isn’t what you’ll see on the site next week. Quite often just the change of a single word in a headline will be enough to impact on bookings,” said Kershaw.

“We have completed minimal search engine work thus far – our main concern was getting the site presentable and working. Now that it is we can move forward,” said Kershaw.

“It’s been our experience that a typical visitor origin breakdown for a web site will look like this:



Search engines optimization (developing a web page so it appears high up in the search engine rankings), linking, online positioning and just creating a site that people enjoy using will be the dominant marketing strategies,” she said.

“.....vast majority of people find sites through search engines.”

“With a web site you can’t just finish it and forget about it. You need to work on it to ensure it gets in front of people and it gives them the information they want. I know from when I visit web sites, that if the site isn’t updated regularly I would not re-visit.

I also know that the vast majority of people find sites through search engines. It’s an ongoing job to get a good enough ranking and we’ve previously seen the value of committing to ongoing web site marketing. We are just starting to see the value of higher rankings and this will continue,” said Cath Finlayson.

“The number of searches being completed for relevant terms by people searching for Gold Coast holiday accommodation (see chart below) demonstrates the importance of allocating resources to achieve higher search engine rankings. I anticipate this to become a major driver in traffic to the site,” said Kershaw.

Search terms used per day

Search terms searched for via major search engines	Searches per day
gold coast	633
gold coast australia	224
gold coast accommodation	195
gold coast hotel	122
gold coast casino	46
gold coast hotel casino	31
gold coast apartment	29
gold coast holiday apartment	17
gold coast queensland	16
accommodation gold coast australia	13
gold coast resort	10
gold coast holiday	9
gold coast travel	8
holiday accommodation gold coast	8
sea world gold coast	7
gold coast queensland australia	7
Source: Overture Search Tool Aug 2004	1,374

The Future

One thing the ***Burleigh on the Beach*** web site will not be doing is standing still, according to Cath Finlayson.

The short term strategy includes ongoing testing of various configurations of the Home Page to find what works best.

“According to telecommunications analyst firm Point Topic, high speed Broadband won another 9.5 million subscribers around the world in quarter ending 31 March 2004 - its second consecutive record-breaking quarter. 73.4 million globally subscribe to broadband DSL.

That is strong evidence for us that the effective use of high bandwidth techniques – including audio and video – in demonstrating the qualities of a resort or hotel isn’t far away. Up until now, a ‘Flash’ presentation on a web site has, by virtue of slow Internet connections, been very limited and not effective,” said Kershaw.

“We’ll also be utilizing the ever-growing email database, as well as adding more and more free holiday information to the site. Photos of the ***Burleigh on the Beach*** team will be added to the site to personalise it a little, along with more photographs of the apartments.

Surveys, competitions and much more will keep the visitor interested and actually working with the site, rather than just looking. The future is looking good,” said Cath Finlayson.

Conclusion

By completing a simple redesign, addressing usability issues and having an understanding of what drives visitor behaviour on web sites, Tailored Consulting have developed a site providing exceptional value to visitors.

Initial marketing efforts have increased visitor numbers substantially on previous months. The low cost and easily measurable return has resulted in initial data providing an excellent starting point for future strategies.

Whilst the small sample group and small timeframe may exaggerate some elements of this Case Study, it is clear that with the site visitor well-catered for, use has increased and the most-wanted response (a booking request) has been generated in 7% of visits.

From 0 to over \$32,000 in bookings in just eight- (8) weeks on a very modest investment. That's the power of a simple yet properly executed web development strategy.

Vital Statistics

Business:	Burleigh on the Beach
Domain name:	www.burleighonthebeach.com.au \$140 for 2 years
Web site hosting:	Allwebco \$240 p.a
Web site design:	\$2,000
Programming:	\$2,800 - Newsletter, Statistics, Booking system
Newsletter script:	Dada Mail
Statistics Program:	Advance Logger
Key strategies:	- Rates and availability onto Home Page - Search engine optimisation - User-friendly site
Ongoing management:	\$198 per month
Previous visitor numbers:	Approx 2-3 per day
Current visitor numbers: (after 8 weeks)	50 per day (425% increase on target) Maximum has been 64 in a day
Previous web site bookings:	0 in 12 weeks
Current web site bookings:	115 in 8 weeks (1,050% increase on budgeted)

“What this case study illustrates well is that by developing solid strategic goals, the web can be a very useful part of the overall marketing mix.

A quality web strategy – and that encompasses aspects such site design, usability, information structure, optimisation and advertising, as well as positioning with the intermediaries – should ensure good revenues over time. It won't usually happen overnight, but implement an ongoing campaign and you will see the results of a very solid ROI.

A quality web site can gain your business more market share and put you ahead of your competitors. More and more travelers are booking accommodation online.

There is a need for hotel and resort businesses to aggressively market themselves via alliances with travel web sites such as Wotif.com.au and the leading portals. But they must also consider the exceptional benefits and leverage that is obtained by a) developing a web site that works, and b) aggressively marketing that site direct to the end user.

An experienced web consultant can help you realize the potential of the web and give you access to the tools and strategies that were previously only available to the major players. As this simple Case Study demonstrates, it doesn't have to be difficult or expensive.”

About Tailored Consulting

Tailored Consulting is a specialist web development firm based on Queensland's Gold Coast with a client list including the Gold Coast Marathon, CareFlight Queensland, JustinHerald.com, numerous Gold Coast resorts and Mills Transport. Also owning and managing one of Australia's most successful health products web sites, Tailored Consulting is widely considered to be one of Australia's premier web firms.

Brendon Sinclair is the author of “The Web Design Business Kit”, acknowledged as the authoritative book for web development firms. He is also a contributing author to several online specialist publications and writes one of the highest circulation newsletters on the web - “SitePoint Tribune” (owners SitePoint have in excess of 137,000 subscribers).

For More Information

If you have any questions or comments regarding this Case Study, or would like to contact us, please direct contact us at casestudies@tailored.com.au or on 07 5598 4898.

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Appendix A:

Management Rights is a growing industry within Australia whereby resorts, high-rise apartments and complexes engage a resident manager to manager the property – the manager rents the units, collects the rent, looks after the building and the grounds and generally ensures all runs smoothly within the complex.

The Management Rights to a very large holiday buildings (those with the most income potential) can cost into the many millions. Many smaller resorts and complexes have management Rights available for entry prices of approximately \$350,000.

The Gold Coast – Australia’s premier holiday destination – has hundreds of Management Rights apartment complexes and it is a large and growing industry.

Management Rights income streams

Generally, income as a Resident Unit Manager (RUM) – the Resident Unit Manager is the person who has the Management Rights of a building - is generated this way:

- 12% + GST of apartment holiday letting (7.5% for long term letting)
- Cleaning charges (on exiting room) – charged to unit owner
- Tours, theme park tickets and hire cars – 10-25% commission on sales
- Phone calls, TV Hire, Rentals (i.e. Cots) – profit added on top

In addition, the Body Corporate also pays the Resident Manager a salary of approximately \$800 – \$1,200 per unit per year.

The goal of the RUM is to generate as many bookings as possible, whilst paying the least amount of commission. A job well suited to a web site.

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Julianne Stanford and Ellen R. Tauber
Sliced Bread Design, LLC

Web reference:

http://www.consumerwebwatch.org/news/report3_credibilityresearch/stanfordPTL.pdf

② Various sources including own sources, online experience, hotel-online.com and PhoCusWright.