

How to Drive, Capture, and Convert Demand with Integrated Revenue Generation Processes

A NAVIS White Paper

An analysis of the importance of the direct channel in the hospitality industry and what hotels and resorts can do to leverage the opportunities.





How Hotels and Resorts can Leverage the Direct Channel for Increased Revenue

EXECUTIVESUMMARY

The direct sales channel is stronger today than ever and is becoming more and more the focus of independent hotels and resorts around the world. The rapid expansion in mobile phone use is also driving direct channel revenue. Marchex Institute reports, "Travelers want to use their mobile phone to find, book, and manage travel. Call data presents a new opportunity for travel companies to respond to consumers with an experience that is intelligent, efficient, and leads to repeat business."

This is a lesson in how human interaction and experience is paramount, even as technology pervades our business and personal lives. Hotel guests report that although they carefully research properties on their mobile devices, they use the 'push to dial' function to call in their reservations. "For every booking that comes in via the mobile website, three are completed with a call," said Keith Swiderski, director of mobile and emerging channels strategy and development for Wyndham Hotel Group. Many travelers want the assurance of human contact when closing a transaction, particularly when it involves full-service properties that offer high-consideration stays. When larger stay costs are involved, travelers "just want to talk to a person."

If you are a hotel operator, you have made your share of investments in online marketing. Have you given your direct sales channel similar consideration? Are you taking full advantage of the direct channel's revenue potential? This white paper highlights success stories of real hoteliers who have dramatically increased leisure revenue with strategies based on driving direct channel growth.



Drive + Capture + Convert = 3 Steps to Increase Revenue

Successful hoteliers optimize their voice or direct sales channel through three interconnected steps:

1. They **drive** demand intelligently with online marketing campaigns that are not based on guesswork, but on real data showing which media outlets and marketing messages are the top revenue producers. Thus, hoteliers invest in areas that drive more profitable business.
2. They **capture** data about inbound callers to enable outbound call follow-up and enhance caller-agent rapport and experience. Data automatically includes caller's phone number, demographics, past stay information, and the value of previous stays.
3. They **convert** demand quickly with thorough and ongoing sales training that provides tools to measure each agent's effectiveness and includes an incentive-powered outbound call program.

The goal of **Drive + Capture + Convert** is simple: To leverage every touch point with every potential guest. Operators interviewed cite the importance of state-of-the-art Automated Call Distribution (ACD) and data collection technology. The operators also cite training and best practices that transform call-center agents from passive order takers to informed, confident sales makers.

While many properties agree that data collection is important, most do not have an effective process to accomplish this. The best call-center systems interface with a hotel's property management system (PMS) to track the total revenue attributable to each online promotion. This total includes not just which campaigns trigger the most inquiries, but all revenue generated by every guest stay for each campaign. This precise revenue tracking reveals valuable insights that shape more effective marketing programs.

The results from two leading hotel companies that balance online investment with direct channel optimization are impressive.



Woodstock Inn and Resort

Once owned by John D. Rockefeller, this high-end Vermont resort increased the value of its direct sales channel five years ago with an investment in technology solutions and team training for its reservation agents. The results are "spectacular," says Diane Walker, Revenue Manager of the property that includes a 142-room Inn, a LEED-certified spa, a racquet and fitness center, an 18-hole Robert Trent Jones golf course, and skiing.

"We had excellent RevPAR growth from our reservation system immediately after we installed it and trained our team," Walker says. The hotel was named one of Travel + Leisure's 500 best hotels in the world for 2014 and pushes the envelope to be successful in an extremely competitive marketplace.

The property operates its own on-site reservation office. Since implementation of the **Drive + Capture + Convert** strategy and technology, Walker has a much clearer picture of how the direct channel is performing. "For me as Revenue Manager, the reporting and performance information I can see with our system is spectacular," she says. "All revenue managers know they should have it, but most systems don't provide it. Our system tells us when calls are coming in, so we can manage staffing of reservation agents based on call volume by day and hour of day." Woodstock Inn uses the Narrowcast and RezForce call center systems and agent sales training from NAVIS.

Drive the Success of Marketing Campaigns and Initiatives

The Woodstock Inn's NAVIS system enables the property's reservation team to engage instantly with callers by identifying the marketing campaign before the call is answered. "Our agents see the incoming phone number, which identifies the campaign. NAVIS creates the call-in numbers for each program," says Walker. "Our team is ready with answers. The campaign ID also lets us run reports on the metrics for each campaign. If a call was missed, our agents see the number and schedule a missed-call follow up. We consider these hot leads for outbounding."

Capture Call and Caller Data

The property's reservation system provides inbound caller demographic data, historical stay information, and the value of any past visits. The system also indicates which team member took the caller's previous inquiry, which helps to establish closer relationships between callers



and agents. "When our agents have this information at their fingertips, they handle a caller's request in a more personalized manner and are more likely to convert the booking," says Walker.

Her team also captures information on abandoned calls. "The system gives us the phone number of the calls we missed, and our NAVIS-trained agents follow up at once to capture the business," says Walker. "The last thing we want is for a caller to reach out to another property before we can call them back. We can also review our abandonment rate throughout the month. It is a big advantage to know what we have missed. When we call people back, they value the personal touch and our follow up."

Convert More Calls with Training, Tracking of Agent Performance

The NAVIS direct channel service offers professional training to shape the Woodstock Inn's reservation team into "sales-focused agents," Walker says. "We invest in periodic training sessions with the NAVIS experts to help our agents do a better job of working with guests. Now we are skilled at personalizing our calls, listening to each guest request, and answering questions with clear information."

The Woodstock Inn team training is based on the NAVIS system's monitoring and recording of real-time agent performance. Most call centers only track the number of reservations an agent makes. NAVIS also includes turndowns and conversion percentages. In addition, the property's voice center call recording technology helps managers monitor whether agents are handling calls professionally and meeting data-gathering requirements.

"One of NAVIS' strengths is its biweekly client advocate calls. They go over our KPIs to help our Reservation Supervisor keep on track with goal attainment," says Walker. "The company helped us by spotting issues from their reports and offering help. For example, a recent power outage caused Woodstock Inn's reservation numbers to drop. "With the NAVIS system in place, we simply make one call to let them know the issue and more of our calls roll over to NAVIS' RezForce call center, so we don't lose calls or reservations." NAVIS RezForce also responds to after-hours calls so that no call is missed, even at two o'clock in the morning. "NAVIS' call center conversion is extremely high," says Walker.



JC Resorts: Success by the Numbers

Since 1971, JC Resorts has been a respected leader in the operation of premium golf and resort properties in California. These include Surf & Sand Resort, a Conde' Nast Reader's Choice Award winner; Rancho Bernardo Inn, a 2013 and 2014 Travel & Leisure World's Best; Temecula Creek Inn, a luxurious wine country escape; and Scripps Inn, a charming bed and breakfast in the heart of La Jolla, California.

These high-end properties implemented **Drive + Capture + Convert** strategies and technology in October 2013. As a result, JC Resorts have:

- Increased the average daily rate (ADR) by 7% across all properties
- Increased call conversion by 9% at one sample property
- Increased outbound call revenue by \$250,000 at the same property

"We can directly attribute revenue increases to our NAVIS strategies," says Herb Cropsey, Corporate Director of Revenue Management for JC Resorts. "Part of our 7% ADR increase is economy driven, but our new reservation tools leverage that increased demand for a better conversion rate and higher revenue."

Drive the Success of Marketing Campaigns and Initiatives

Like the Woodstock Inn, JC Resorts' technology creates unique call-in phone numbers for each of its marketing campaigns to easily track the revenue generated. "The tools interface with our property management system, so we can see the total revenue generated by our direct call center conversions, and also from our online sources," says Cropsey.

"The data NAVIS provides is comprehensive. We can see not only which campaigns generated the most calls, but also which generated the highest revenue and the types of campaigns that attracted guests with the highest spend," Cropsey says. "Thanks to NAVIS, we can target our campaigns more precisely, more scientifically."

Capture Call and Caller Data

Lindsay Myers, Assistant General Manager of JC Resorts' Surf & Sand Resort, manages the property's call center and oversaw implementation of the new sales and marketing system. She appreciates the demographic data the system captures and displays about inbound callers as well as the way it routes calls to the appropriate department.



“For example, people looking for directions to our property should go to guest services, not take up an agent’s valuable selling time,” she says. “Routing these calls automatically to the right hotel department helps improve our conversion rate.”

Inbound call recording is the foundation of JC Resorts highly professional call handling. “We listen to selected calls for each agent and use the recordings as coaching tools. It works. We have a 9% conversion increase and clear revenue improvement using the new system in our call center,” Myers says. “Our ability to listen to agent calls and coach them for better performance is creating a sales-focused culture based on personalized service training.”

The Surf & Sand Resort excels in offering its guests the finest experience in leisure and relaxation. But thanks to the call tracking system, there is nothing leisurely about the way its reservation agents respond to abandoned calls. “When callers hang up before we can answer, we can call them back instantly. Their information is right at our fingertips. We generated a \$250K increase in our outbound call revenue as a result of this feature,” says Myers.

She also appreciates the support she receives from JC Resorts’ technology provider, NAVIS. “Our NAVIS’ client advocate calls us several times a week to make sure we are focused on the right areas of agent performance improvement. Our advocate typically spends two days a month on our property to be sure we are using the system to the fullest, and to oversee our commission structure for our agents’ compensation plan. We can set goals by team or by individual agent and be confident our decisions are the right ones based on clearly documented performance. NAVIS’ support helps me do a better job.”

Other leading properties apply the **Drive + Capture + Convert** strategy to boost revenue:

- **105% Revenue Growth.** The Emerald Grande, a Destin, Florida, luxury condominium hotel with a \$500 in-season ADR, boosted voice conversion by 20% with new call center technology and sales training for reservation staff. The call center team converted more than 35% of all inbound calls. This resulted in a 105% revenue growth over the previous year. The property accomplished this growth in spite of a reduced inventory when it turned 17 units over to Wyndham Vacation Club.



- **13% Increase in ADR and Call Conversion.** TradeWinds Island Resorts in St. Petersburg Beach, Florida, generated a 13% increase in both conversion and ADR in the first full year after implementing new call center strategies. The company put in place sales training, statistical reporting, and call center phone technology. TradeWinds also began a proactive outbound call program that created a source of significant new revenue.

\$80,000 Outbound Call Revenue in One Month. KeyLime Cove Indoor Waterpark Resort near Chicago generated \$80,000 of new outbound call revenue in one month and increased conversion more than 10%. The resort's direct sales training program and call tracking resulted in improved guest satisfaction scores and provided accurate ROI measurement for promotions and advertising.



The NAVIS Difference

The properties mentioned in this paper use technology and services from NAVIS to optimize their direct channel performance. NAVIS sales and marketing solutions empower resorts, hotels, and vacation rental management companies to leverage the full profit potential of their direct channel. NAVIS hospitality clients drive more demand, capture more demand, and convert more demand with dramatic increases in revenue and RevPAR. With a laser focus on actionable, real-time CRM data from the direct channel, NAVIS uncovers new and often ignored revenue opportunities, including increased reservations productivity, greater marketing efficiencies, call center optimization, and greater visibility into their businesses. Its clients outperform competitors, enjoy greater market share, higher NOI, and more revenue. Click [HERE](#) to find out what NAVIS can do for you.

The NAVIS Reservation Sales System includes multiple products and services, all designed to help your company optimize sales productivity and increase leisure revenue.

NAVIS Narrowcast

Captures and reports data about your callers, your agents, your marketing, and your business.

NAVIS RezForce

After-hours and overflow professional call center booking services.

NAVIS RezCast

Marketing tracking and professional call center services.

NAVIS RezForce LUX

5-Star/5-Diamond professional call center services.

The NAVIS Data Marketing System includes multiple products and services, all designed to help your company optimize marketing productivity and increase leisure revenue.

NAVIS REACH

Guest-centric marketing system using actionable, targeted lists.

NAVIS Data Mining

Powerful data mining and segmentation.

NAVIS HMS

Housekeeping Management System.

Want to know more about how NAVIS solutions support the strategies discussed in this paper and increase revenue for hotels and resorts? Contact info@theNAVISway.com.