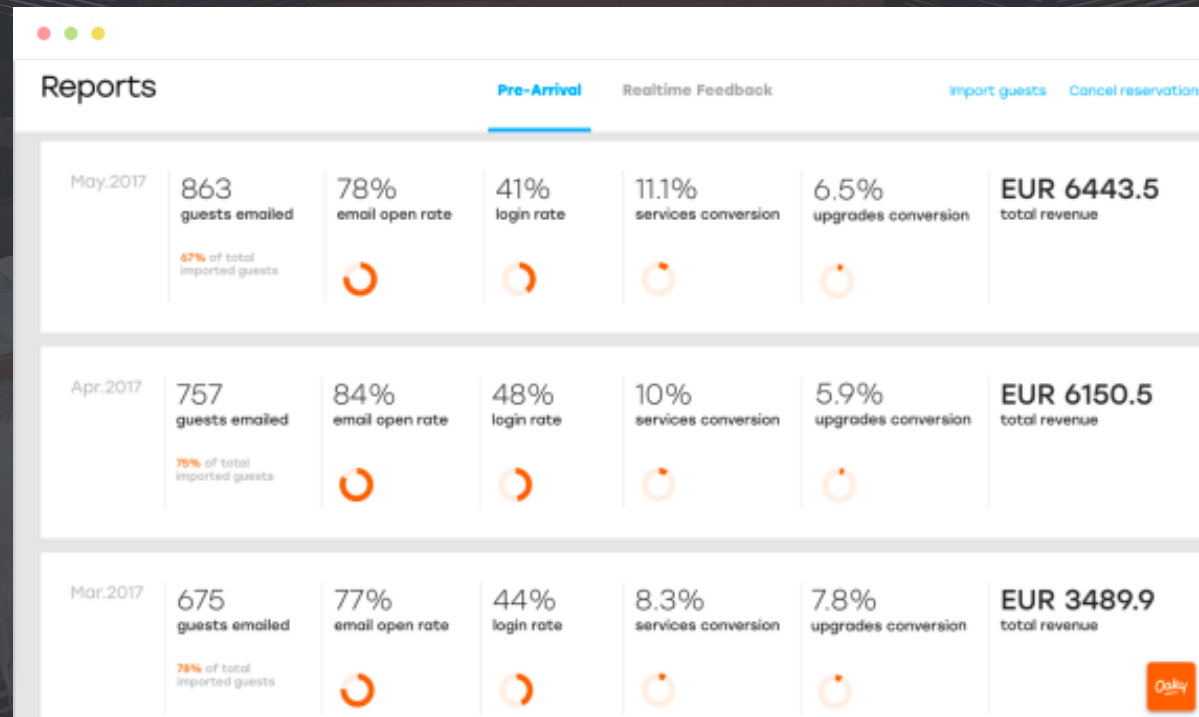HotelTechReport

MERCHANDISING & UPSELLING
TOOLS BUYER'S GUIDE

2019 Edition

Underwritten, in part by:

Oaky.

Buyers guide created in collaboration with Oaky

CONCEPTUALIZATION, DESIGN, DATA AND COPY EDITING:
Hotel Tech Report

CONTENT & RESEARCH

Erik Tengen

Clément Dénarié

Tako Paddenburg

Aleksandra Ronkiewicz

Mattia Zanella

HotelTechReport

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WHAT IS MERCHANDISING AND UPSELLING SOFTWARE?

Upselling is the ability to get more spend from the same guest, by providing valuable services, offered at the right time and at the right price to the right guest.

When done properly, upselling results in more incremental revenue and a better guest experience.

WHAT ARE THE KEY BENEFITS OF MERCHANDISING AND UPSELLING SOFTWARE

1

INCREASE INCREMENTAL SPEND PER GUEST

By offering segmented Upselling before arrival, hoteliers manage to provide true flexibility to their guests, enabling them to choose from personalised offers at a time that's right for them. Upselling as part of the overall Revenue Management strategy, achieves two goals: Higher ADR, Less Free Upgrades.

2

SAVE TIME AND MAXIMIZE OUTLETS

Expectations are all set before the experience itself. By enabling guests to share their needs (and get inspired by what the hotel has to offer), Hotel Operations are able to anticipate special requests and save precious time in the communication with every single guest.

3

PERSONALIZE THE GUEST EXPERIENCE

Consumers of today are used to controlling their experience. Gone are the times of fixed packages and one size fits all. Modern travellers crave freedom and personalisation.

THE INSIDE SCOOP

Cut through the noise and find out what real hoteliers are saying by reading in-depth reviews.

VERIFIED USER REVIEWS

Read reviews →

Oaky

★★★★★

Commercial Director from **Scotland**

"At the core is improving conversion on the emails they send out which is key to delivering revenue to hotels. It's significantly cheaper than any other system we've seen or used and to set it up is fast and users find it intuitive to use so there is very little need for training."

Read the full review on HotelTechReport

Oaky

★★★★★

Revenue Manager from **Amsterdam**

"After a short introduction and an initial setup it's time to see the upgrade request flowing in. I am still very surprised about the amount of requests and additional revenue it generates for the hotels."

Read the full review on HotelTechReport

nor1
Upgrade Your Life®

★★★★★

Front Office Supervisor from **Santa Clara**

"Nor1 is very easy to use. You can accept or deny an upgrade within the software itself. This allows you to control the upgrades for your hotel."

Read the full review on HotelTechReport

STAYTUS

★★★★★

General Manager from **Abu Dhabi (UAE)**

"Better than the old fashioned printed promotions in the rooms, yet already behind newer more interactive options"

Read the full review on HotelTechReport

TREND WATCH

Read predictions from domain experts and learn about the state of the category.

WHAT'S NEW AND INTERESTING IN THE SPACE?

PERSONALIZATION

Personalisation has become an essential element of service and revenue stream for hotels by upselling the right offer at the right time to the right guest.

Oaky Prediction: Offering targeted experiences will play a bigger role and a personalised guest experience via customer-facing technology has become the new standard .

DYNAMIC PRICING

Dynamic pricing allows hoteliers to price-to-market in order to maximize top-line revenue potential. This allow Revenue Managers to yield their rates taking into account a new variable: incremental revenue per guest.

Oaky Prediction: Upsell platforms will integrate with pricing intelligence

UPSELL AS A SERVICE

Hoteliers are starting to upsell, not only the classic room upgrade and in-house amenities, but also pure services like being able to turn down housekeeping or local experiences. This is a new type of upselling where high-margin deals are mixed with highly-emotional offers.

Oaky Prediction: Hoteliers will be able to upsell personalised in-house deals alongside out-of-the-box-

BUYING ADVICE AND RECOMMENDATIONS

Critical Features

Top rated providers & comparisons

Key integrations

Questions to ask vendors

WHAT ARE THE MOST IMPORTANT FEATURES TO CONSIDER?

PMS Integration
Automated connection with database (PMS/Channel Manager/OTA).

GDPR Compliance
Make sure your provider meets EU data protection privacy standards.

Easy to use and cross-device
Easy to use platform for guests to redeem offers on any device.

Exclusion Lists
Possibility to exclude guests from receiving the offering.

Customizable CMS
Helps ensure that staff is able to update, customize and test offers in real time.

Real time reporting
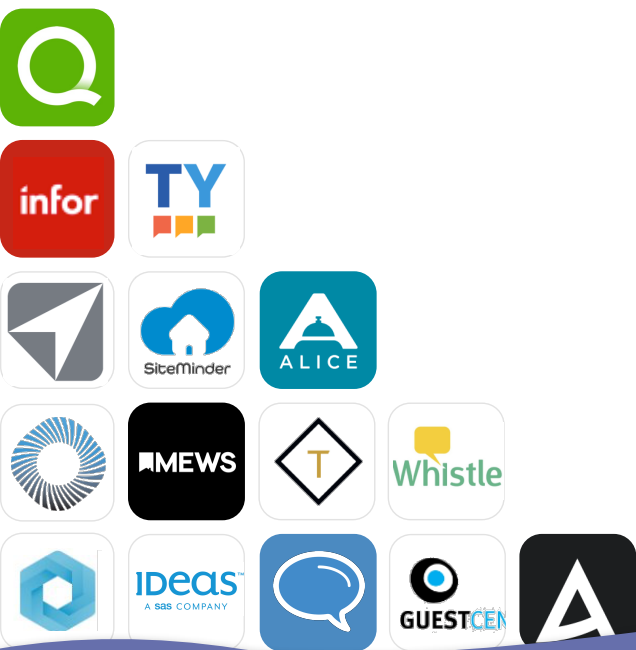Gain insights through analytics and reporting to improve over time.

Email Automation
Automatic offer, redemption and confirmation emails.

Multi-language support
Your guests come from all over, make sure you are able to reach all of them.

WHO'S WHO...

See which players are trending in the market and launch
Hotel Tech Report compare to compare them side-by-side.

⭐ Most recommended by hoteliers

Oaky
View profile >

The commission-free and personalised pre-stay upsell platform for hotels to maximise profit and enhance the guest experience.

Staytus
View profile >

The in-house guest marketing experts for luxury hotels and resorts share timely trends and intriguing images from hotels around the world.

Nor1
View profile >

The Nor1 Pricing & Merchandising Intelligence Platform maximizes revenue and guest experience across the guest journey by providing the right upsell offers at the right price to the right customer at the right time.

Upsell Guru
View profile >

UpsellGuru is a pre-arrival room upsell system that enables guests to bid on room upgrades – increasing their revenue and guest satisfaction.
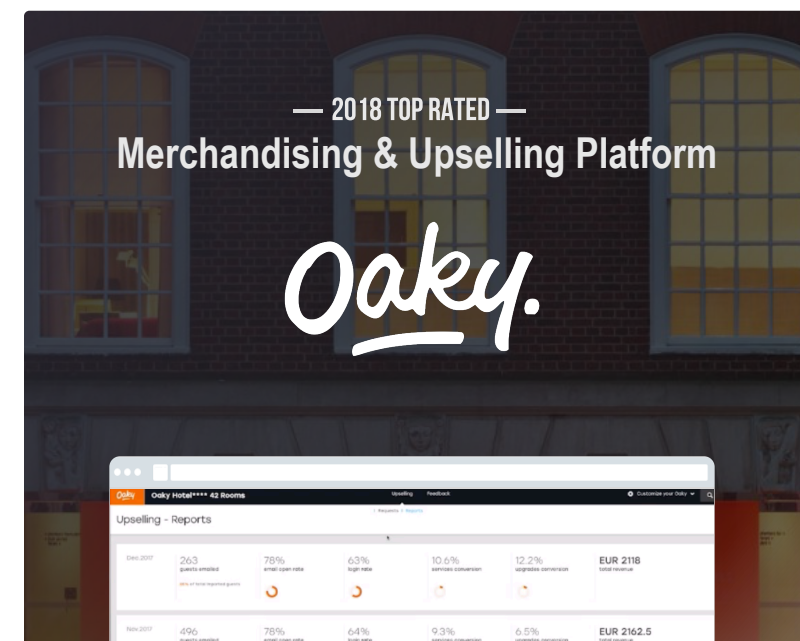
Guestjoy
View profile >

Hotel Upsell and Review Solution provider helping to enable additional revenue streams and collect more reviews.

Hotelflex
View profile >

Reinventing the way hotels sell their rooms with housekeeping and early-check-in

— 2018 TOP RATED —
Merchandising & Upselling Platform

Oaky.

Want to compare products side-by-side with screenshots, reviews, features and more?

Launch comparison tool

★★★★★

Oaky review verified by Hotel Tech Report

"At the core Oaky improves conversion on the emails they send out which is key to delivering revenue to hotels. It's significantly cheaper than any other system we've seen or used and to set it up is fast and users find it intuitive to use so there is very little need for training."

Commercial Director

Edinburgh, Scotland
Independent Hotel

READY TO CONNECT WITH A TOP RATED PROVIDER?
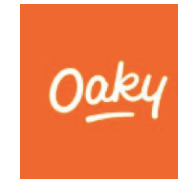
Learn more about Oaky ›

TOP RATED
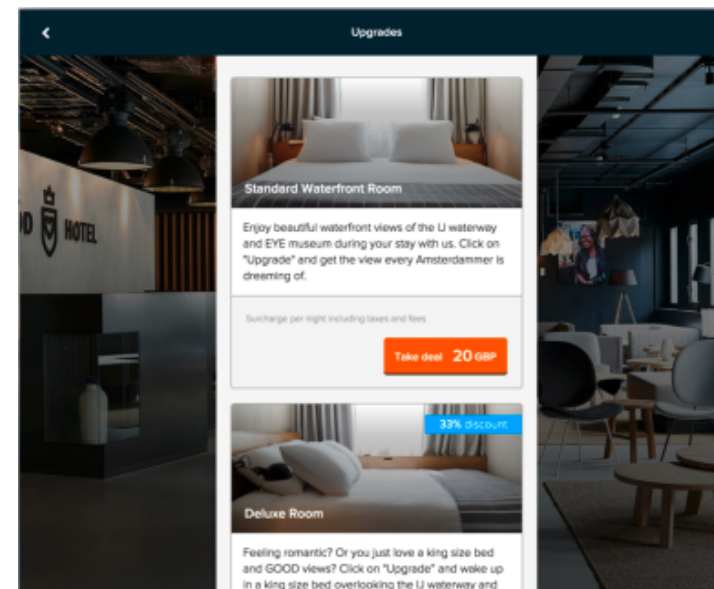
MERCHANDISING AND

HotelTechAwards

UPSELLING PLATFORM

2018

Oaky drives incremental revenue and enhances the guest experience through targeted pre-arrival upselling.

STAY CONNECTED

- **PMS** — Most upselling platforms require the guests' reservation data in order to work.

- **Channel Manager** — A well connected channel manager can be the solution if your PMS doesn't integrate with the Upselling platform itself

- **OTAs** — To make sure you generate revenue from OTA bookers it's important to have a connection between your OTA and the Upsell software as well.
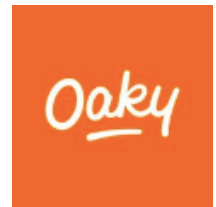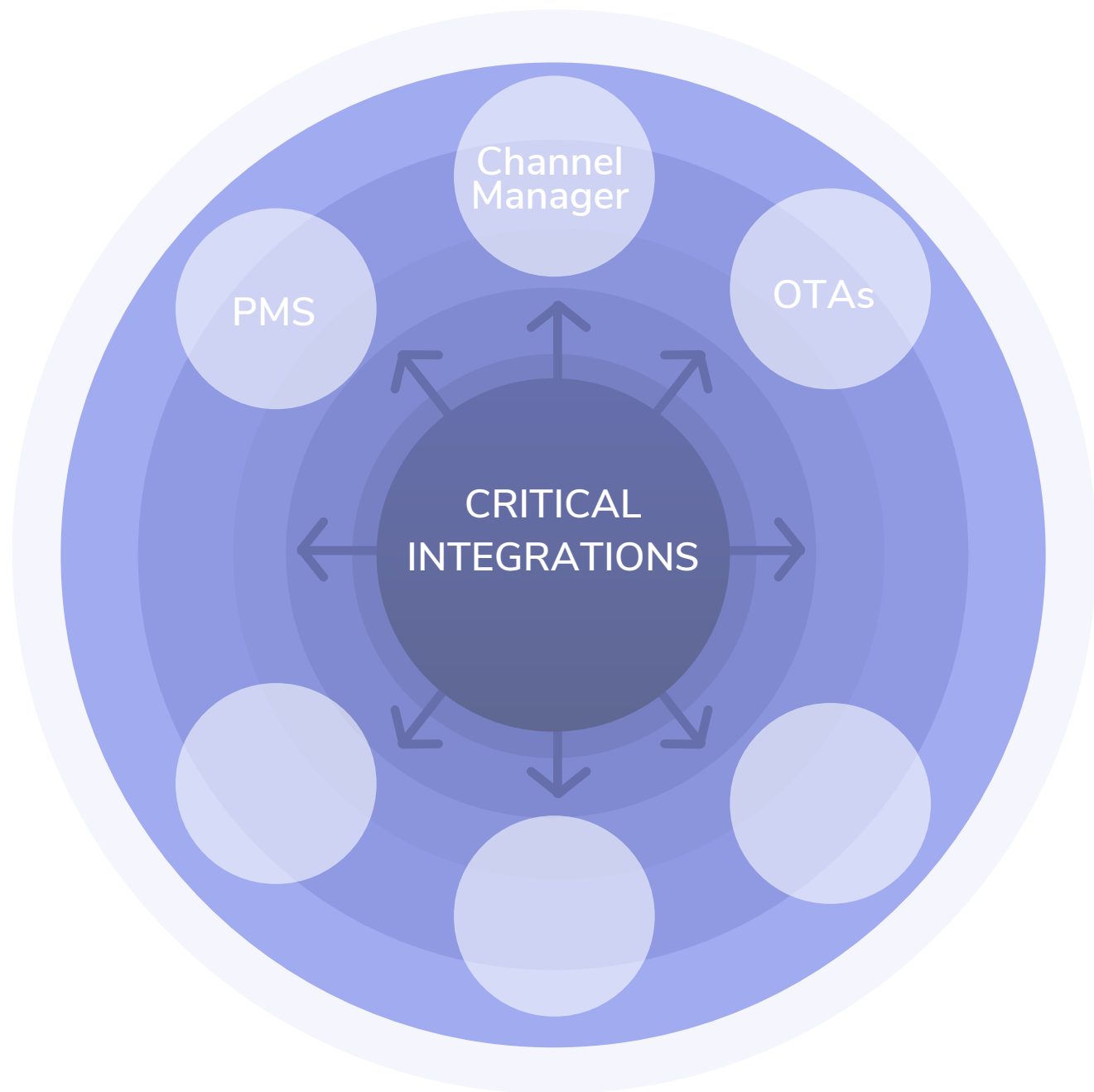
Without the right integrations even the best product can add complexity and cost. Make sure any vendor you consider has the integrations you need to set your team up for success.

View integrations ❯

Need an integration built for your hotel?

hapi

Connect with Hapi

Channel Manager

PMS

OTAs

CRITICAL INTEGRATIONS

WHAT QUESTIONS SHOULD A SMART BUYER ASK VENDORS

WHAT IS YOUR BUSINESS MODEL?

Think of what you want to get out of the tool. If they charge a high commission, you will not be able to sell low-margin deals. Also, ask for a free trial if you're not sure about how the tool will work for your property.

WHAT IS THE DEAL CONVERSION THAT YOU SEE FOR MY TYPE OF HOTEL

A good upsell provider is data-driven and laser focused to drive conversion. They also love to talk data, so ask away! What can I expect? How do other similar hotels perform? What are the best-selling deals today?

HOW QUICKLY CAN WE BE LIVE?

Ask about the steps in going live, and what you are expected to handle. Make sure you ask them if you can go live with best-selling deals, if they provide tips and if they will help you whenever needed.

WHAT PMS DO YOU CONNECT WITH? HOW? 1-WAY/2-WAY?

And how much does it cost for you as hotel, not to the upsell provider but to your PMS provider. 1-way require some manual work. 2-way seamlessly running in the background, no manual work needed.

WHAT DO YOU DO TO ENSURE HIGH CONVERSION?

Ask what service you can expect to receive to ensure a high conversion. You're speaking to specialists in upselling, make sure you give them a run for their money. A good company will love your tough questions!

WHAT TO EXPECT

Pricing & budgeting

Implementation timeline

Success metrics

Success stories and additional resources

PRICING GUIDANCE

What are the typical pricing models and ranges that I should budget for?

COMMISSION MODEL

No up-front cost, a contribution based on performance (Issue is: it is capped and won't decrease your acquisition costs).

Price range

10%-25% of revenue generated

FIXED FEE MODEL

Uncapped ROI potential. Use the software to also offer low-margin services with a high-impact on guest experience, for example F&B or 3rd party services (like transportation, tours & activities).

Price range

$100-$300/mo

IMPLEMENTATION GUIDANCE

What does the typical implementation timeline and process look like to go live?

A hotelier should expect to be live with any good Upselling software provider within 7-30 days. Providers should make the implementation as simple as possible, and provide training accordingly. The connection to the PMS is usually the factor that cause this variance (depending on PMS providers, connection is immediate or takes longer).

Approximate implementation timeline

1-4 weeks

SUCCESS METRICS

WHAT DOES SUCCESS LOOK LIKE?

1

NETREVPAR

Total Revenue Per Available Room. This is the total amount of revenue generated by all departments of a hotel, divided by its available rooms. An increased of the TRevPAR shows that the hotel is doing a great job at increasing the Average Spend of their guests, throughout the hotel, not just on the Rooms Department.

2

ADR

By decreasing the amount of free upgrades and letting your guests actually pay more to get to a higher category room, you ensure that your Average Daily Rate will increase. This is one of the KPI when comparing two hotels and one of the main objectives of a Revenue Manager calculated by dividing room revenue by rooms sold

3

OCCUPANCY

When selling room upgrades, you make sure that your entry-level rooms become available again, ensuring that these very demanded units get sold again. This way, no need to overbooking your standard rooms or give upgrades for free. Your standard rooms become available - again, even right before the check-in, allowing for last minute bookings to come in nicely.

SUCCESS STORIES AND FURTHER READING

CASE STUDY: RADISSON BLU AMSTERDAM

4 star hotel   Chain hotel   Conversion rate upgrades

CASE STUDY: APEX HOTEL LONDON

Chain hotel   Ancillary Revenue Boost

HOW HOTELIERS CAN WIN THE UPSELL GAMBLE WITH PERFECT TIMING

How and when to approach upselling to both maximise revenue as well as deliver an improved guest experience.

WORK SMARTER NOT HARDER — MAKE SEGMENTATION A REVENUE-BOOSTER

And how much does it cost for you as hotel, not to the upsell provider but to your PMS provider. 1-way require some manual work. 2-way seamlessly running in the background, no manual work needed.
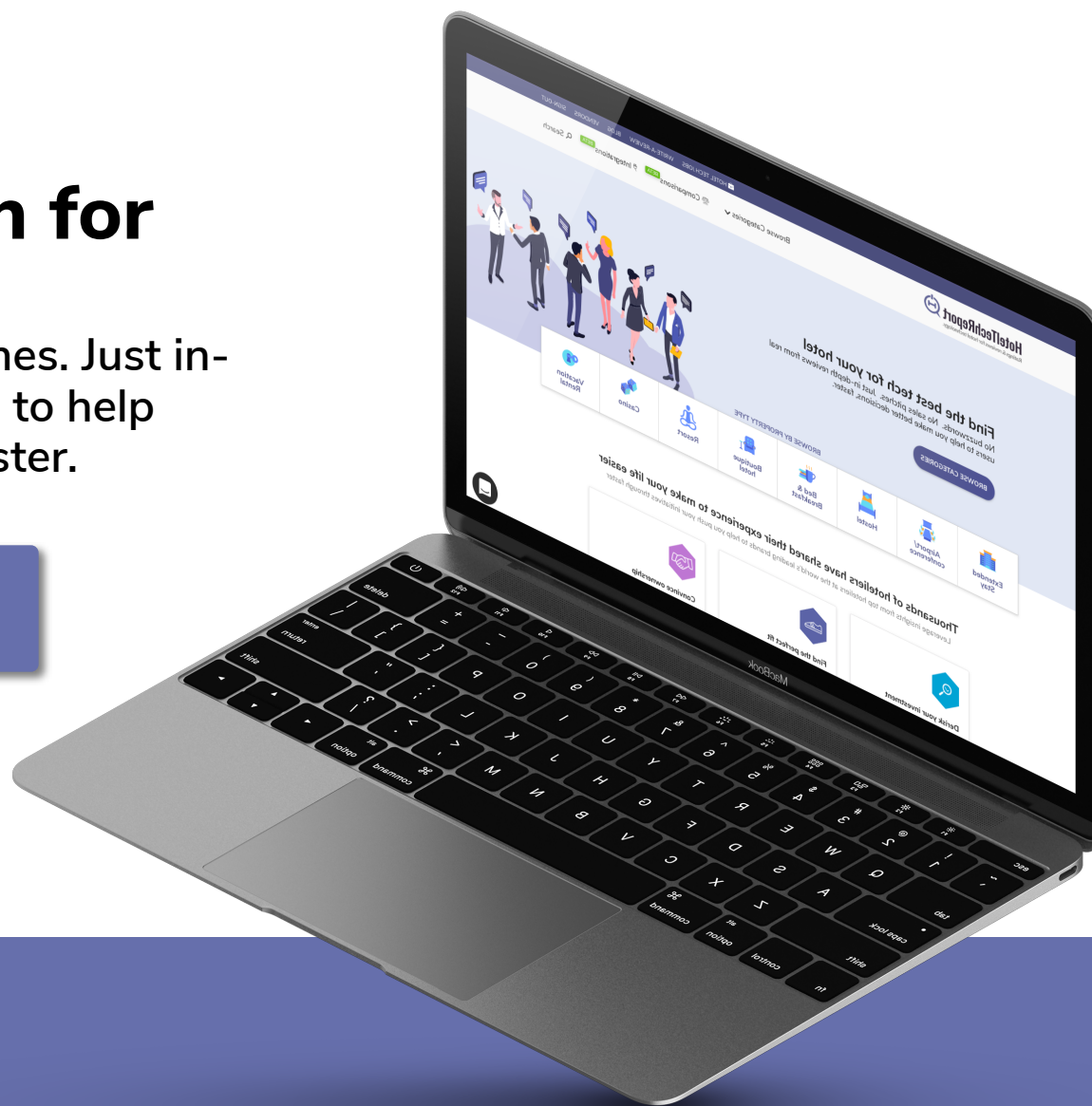
HOW TO PROFIT FROM THE CONSUMER CRAVINGS FOR EXPERIENCES - PART 1 UPSELLING

Ask what service you can expect to receive to ensure a high conversion. You're speaking to specialists in upselling, make sure you give them a run for their money. A good company will love your tough questions!

Find the best tech for your hotel

No buzzwords. No sales pitches. Just in-depth reviews from real users to help you make better decisions, faster.

Go to HotelTechReport.com