



REVENUE OPTIMIZATION CONFERENCE

A Commercial Strategy Event



11th-12th May 2023

MARINA BAY SANDS SINGAPORE

The Future of Distribution **AT**

REVENUE OPTIMIZATION CONFERENCE



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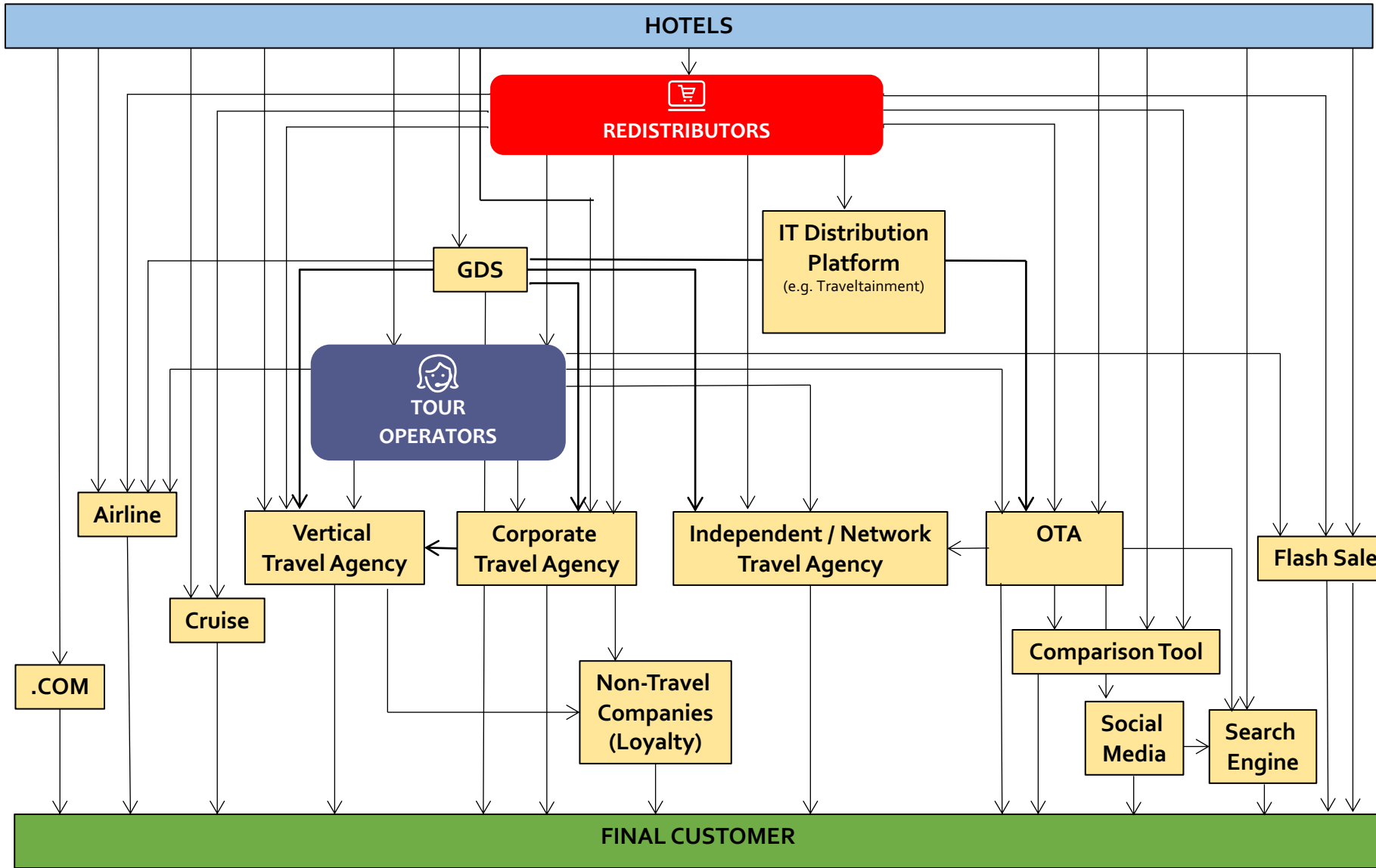
Sarah Montgomery

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Expedia Group

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DISTRIBUTION IS COMPLEX



Companies must adapt to changing traveller preferences



Post Covid studies show that traveller needs and preferences have changed.....



Self-care

- Nearly half (49%) of consumers cited mental and physical well-being and change of scenery as their top reasons for travel in 2022
- Self-care will continue to remain a priority in 2023



New Experiences

- Many people travel to gain new perspectives (43%) and get out of their comfort zones (34%)



Loyalty

- 53% say that it is more important to travel with loyalty providers than before the pandemic
- 52% value discounted pricing from those programs
- 75% of travel providers are operating loyalty programs to encourage repeat bookings

*Per Expedia Group's Latest Traveler Value Index Results (2023)

Technology is Paving the Way



Provides travellers with the information and actions they need when they need it.

Helps partners take advantage of future trends and emerging travel behaviours in new and exciting ways

Attribute Based Shopping (ABS)

- Allows customers to clearly distinguish between rate plans and add-ons
- Breaks down hotel rates into individual attributes, allowing travelers to easily build their ideal stay
- Combined with machine-learning room recommendations, ABS has driven a 4.4% shift to more premium room types and rates

Artificial Intelligence and Machine Learning

- Example: Price Tracking
- Uses data, AI and ML to compare today's flight price with historical price trends and tracks price fluctuations, so travelers can confidently decide when to book and earn rewards
- Since its launch in July 2022, we saw more than 3M travelers subscribe to receive price alerts by the end of the year
- Resulted in high conversion and increased app adoption

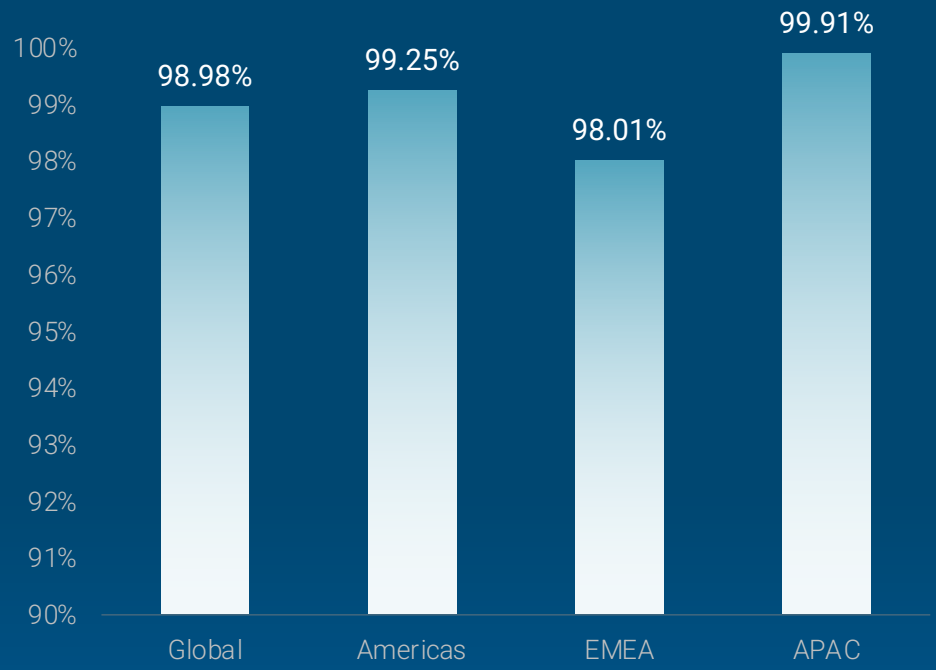


DerbySoft

**Distribution & Revenue Management Opportunities
While Demand Returns**

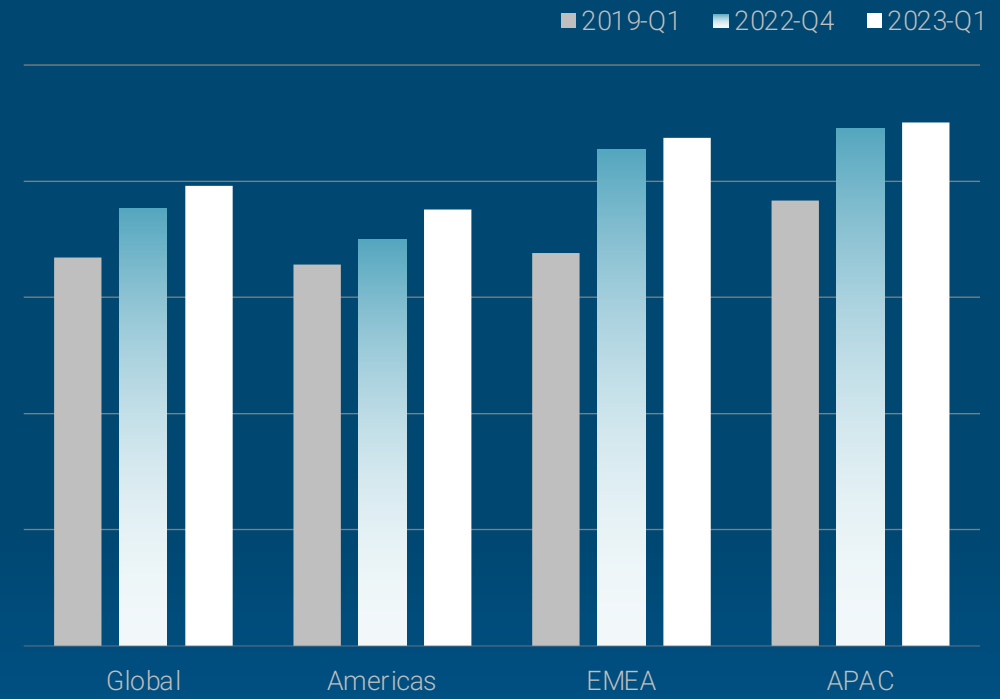
Global Bookings & ADR

Global bookings recovery | 2023 Q1 vs. 2019 Q1



- **APAC leading** in booking volume recovery

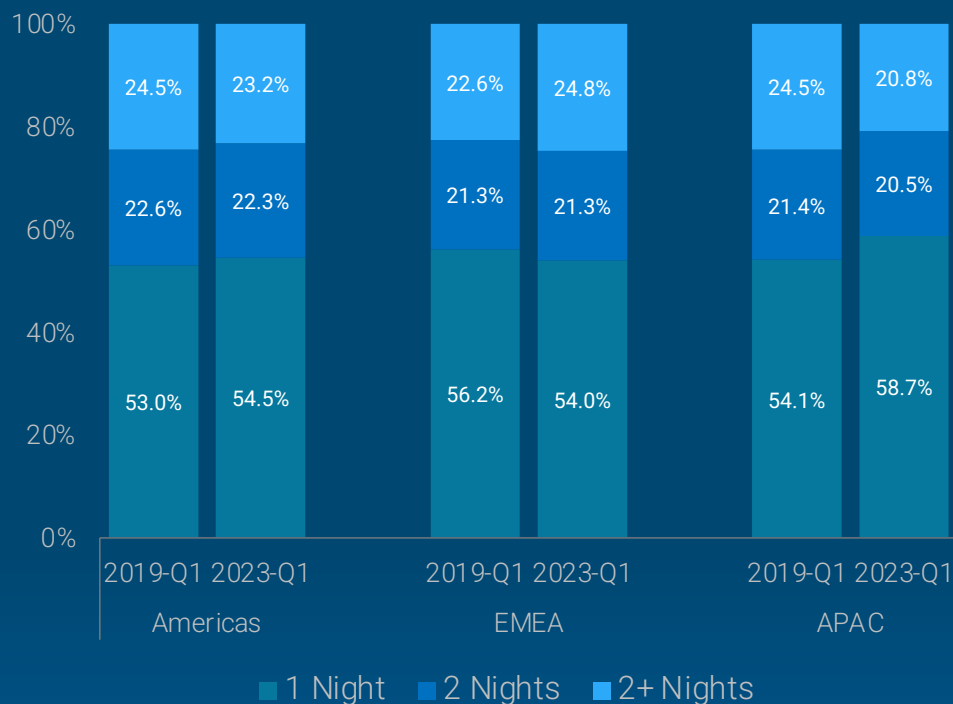
Global ADR



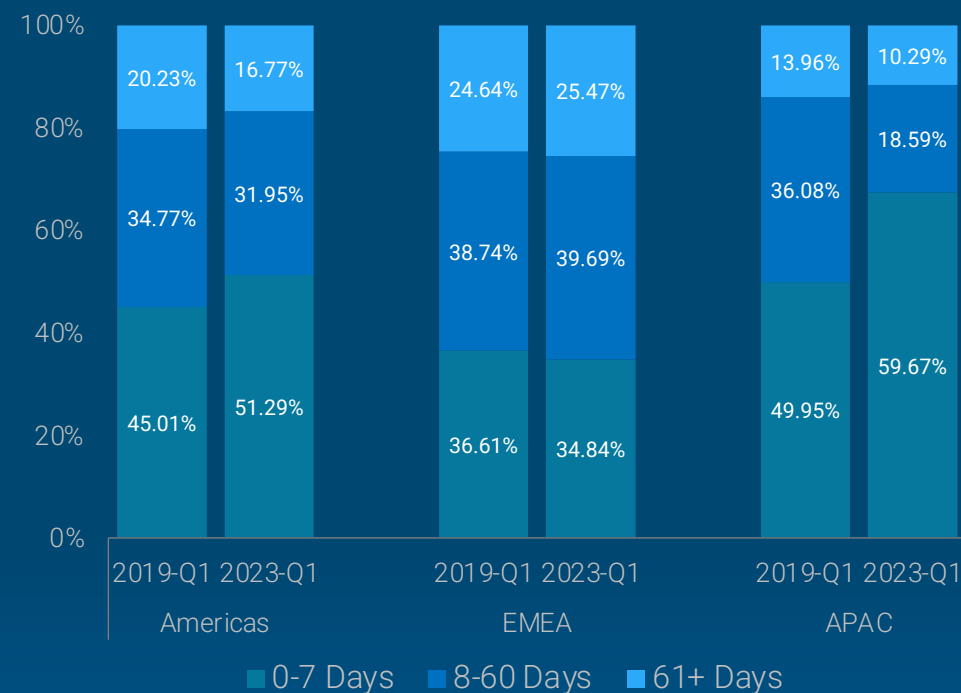
- **EMEA leading** in ADR growth

Global LOS, Booking Windows

Regional destination hotels Length of Stay



Regional destination hotels Booking Window

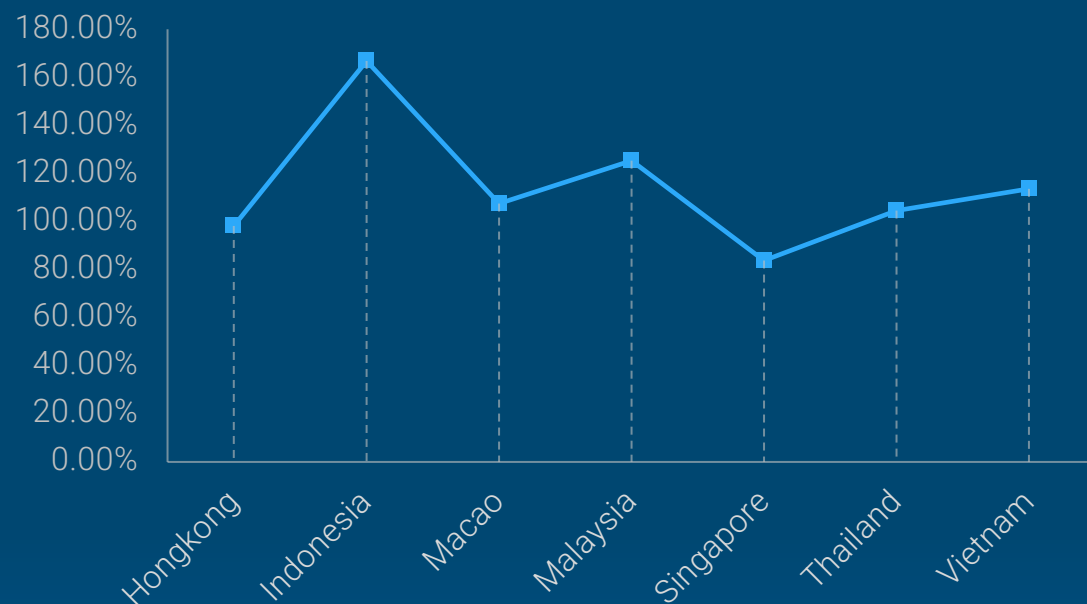


- **APAC** increased in **1-nights** indicating business travels

- **EMEA** travelers still book further out

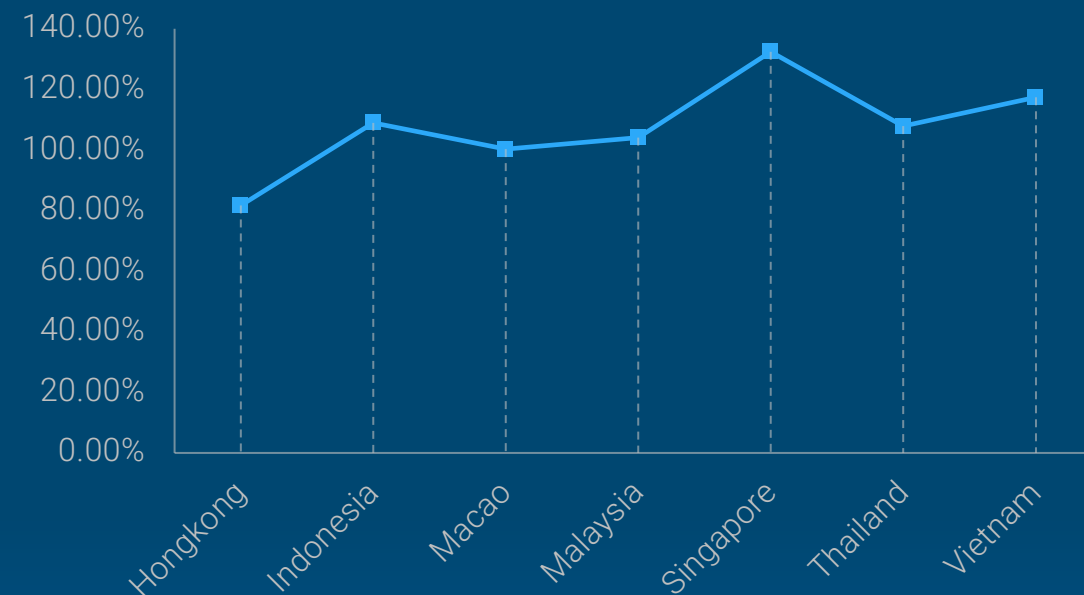
APAC Regions Performance

APAC hotel bookings recovery | compared 2019



- **Indonesia & Malaysia** leading in booking volume recovery

APAC hotel ADR index | compared 2019

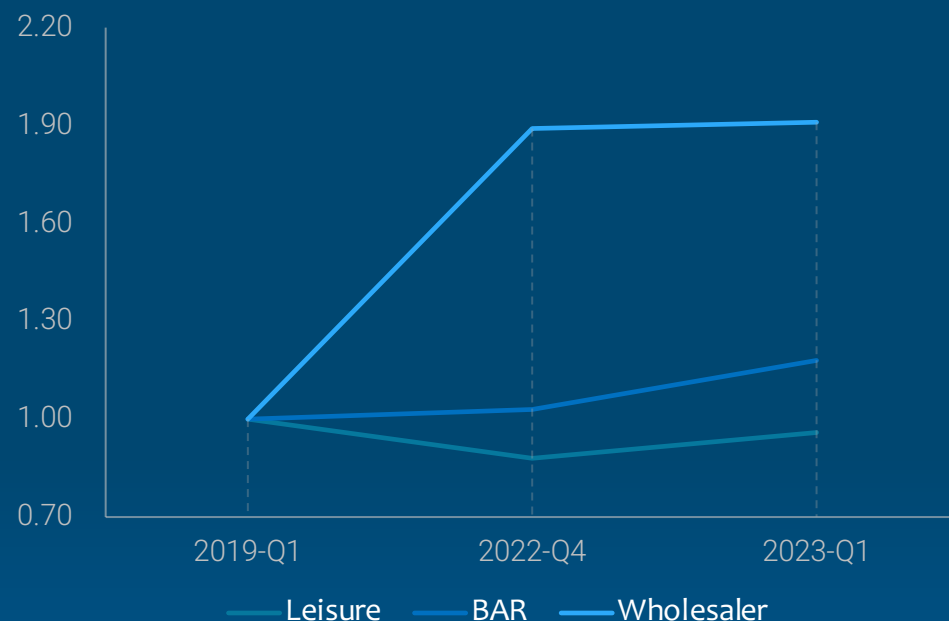


- **Singapore** leading in ADR growth

APAC Segment Comparison

Bookings Growth by Market Segment

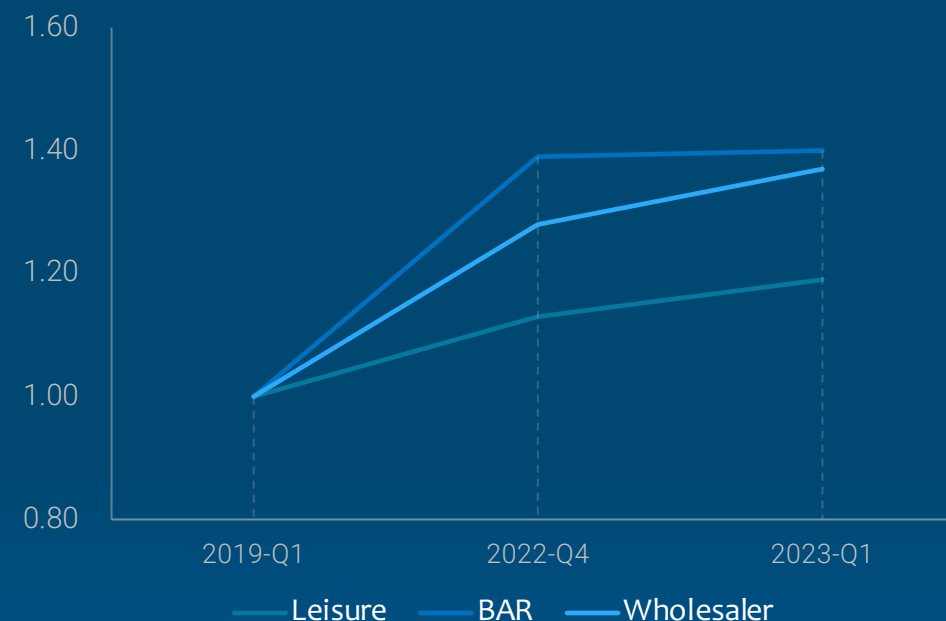
-- Q1 2019 vs Q4 2022 vs Q1 2023



- **Wholesale segment** leading in booking volume growth

ADR Growth by Market Segment

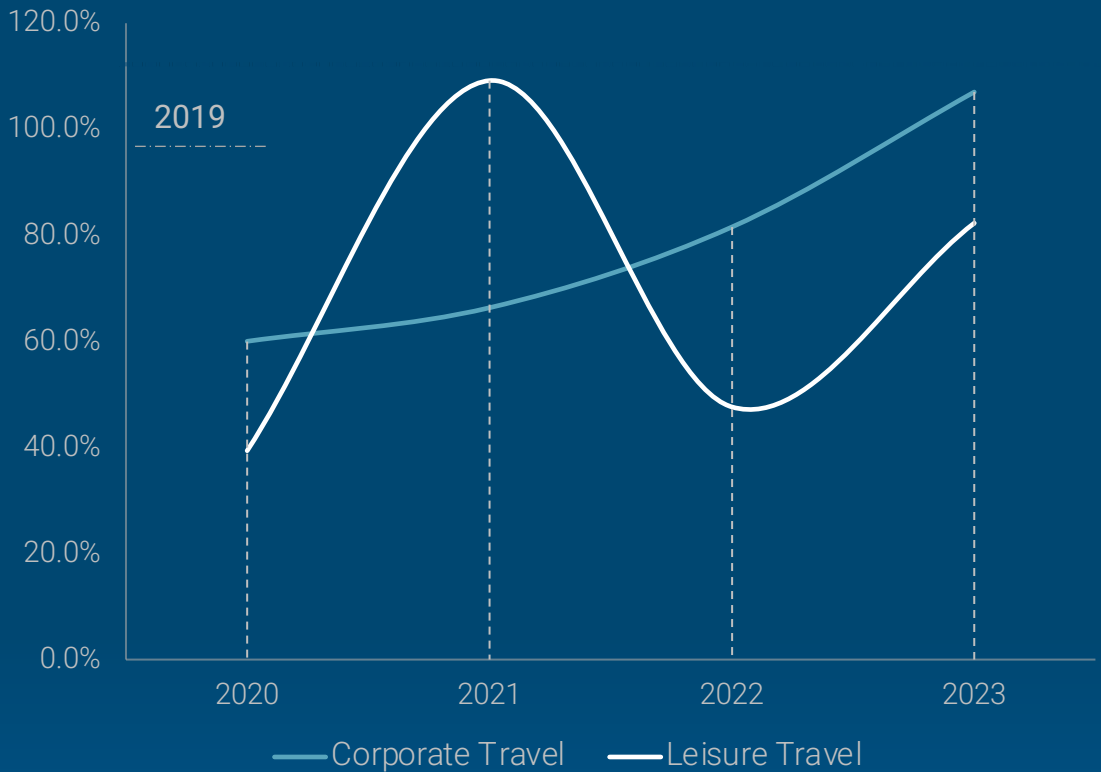
-- Q1 2019 vs Q4 2022 vs Q1 2023



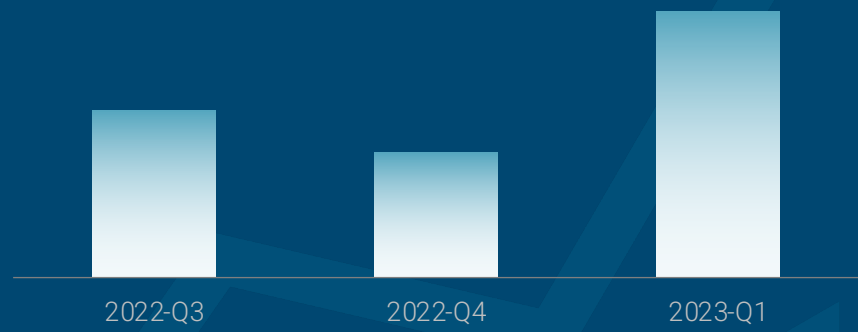
- **BAR segment** leading in ADR growth

APAC Business travel returning strongly

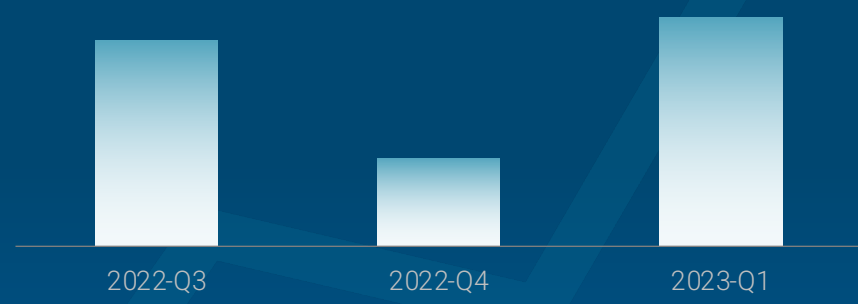
APAC Booking Recovery by Travel Purpose



Business travel booking volume growth +58% vs. Q3



Business travel ADR growth +2% vs. Q3

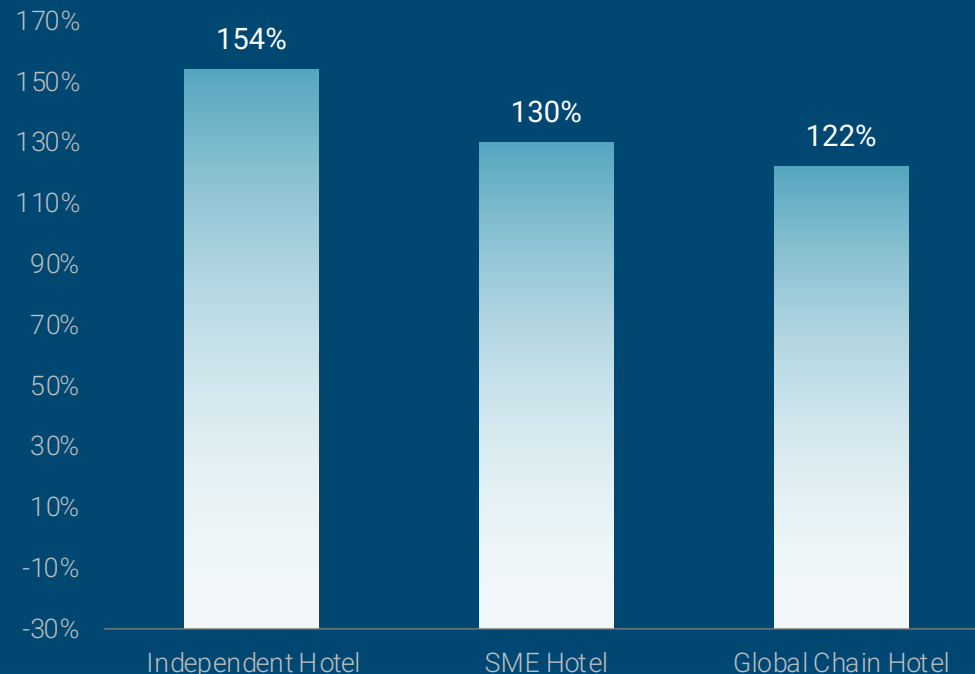


- Leisure travel up and down during last 3 year following pandemic waves, while **Business travel is coming back**

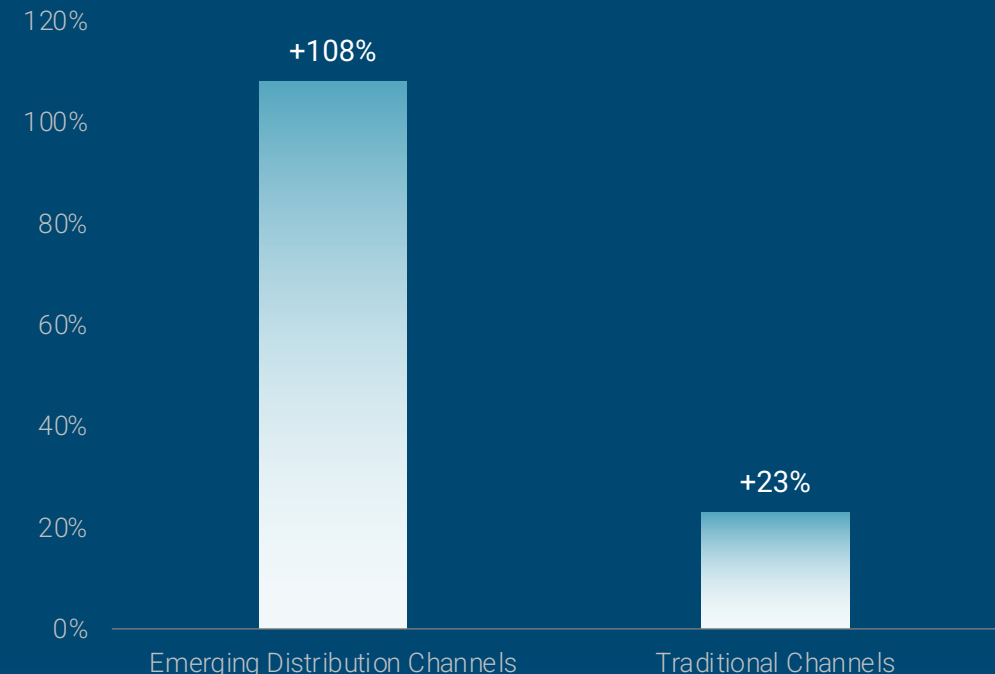
- Business Travels accelerating growth into 2023** in both booking volume and ADR

APAC Bookings Recovery by Channel and Hotel Type

2023 Q1 vs 2022 Q4



2023 Q1 vs 2022 Q4



- This represents the **Connectivity booking volume growth** seen in the hotel customers powered by DerbySoft
- **More SME hotel chains** and the Independent hotels join DerbySoft for distribution and digital marketing

- **Emerging Distribution Channels** leading booking volume growth
- **More SME hotel chains** join DerbySoft for Emerging distribution channels

KEY TAKEAWAYS

Harnessing tech tools for the betterment of your bottom line



Top tips for all hoteliers regardless of their size:

Be agile to market price changes

By analysing competitive price intelligence and market performance data together, you can better understand when customers are booking and what price they are responding to.

Know your new 'high value' traveller

International demand has always presented a more lucrative traveller for most – offering longer stays, higher daily rates and greater spend per stay.

Understand your international audience and get to know their travel preferences: how they search and book, what they look for in an experience and how best to target them

Play to your strengths

Staying on top of, and analysing, the range of data required for an effective revenue performance approach takes sophisticated technology. If that's not your forte, forget it.

Instead, lean into the strengths of your distribution network, which specialise in technology and innovation
For example, hotels can outsource revenue management.

3 KEY TAKE-AWAYS



- Embrace the right technology, connectivity/ no manual work, real-time ARI, fewer defects & complaints, AI room mapping, complete content, full rate & room types.
- While 80/20 still applies, there are relevant emerging channels for incremental revenues and segmentation enrichment.
- Revenue Optimization needs segmentation and cross channels, a good balance of BAR, leisure, TMCs, direct vs. indirect, hotel in control.

- GDS isn't dead and isn't for corporate travel only. Tap on the growing popularity of 'bleisure travel'.
- Don't be reliant on the OTA channels. Invest in a holistic global distribution ecosystem.
- You're not alone. Expand your reach through partnerships and affiliations.



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