



DIGITAL MARKETING CONFERENCE

A Commercial Strategy Event



23rd August 2023 | PHUKET THAILAND

How to spend your Tech Budget to Maximise Revenue **AT**



DIGITAL MARKETING CONFERENCE

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23rd August 2023
PHUKET THAILAND

“The only thing we know about budget,
it’s that it is **wrong.**”

“Start with the end in mind.”

The **topline revenue** must increase by **x%**

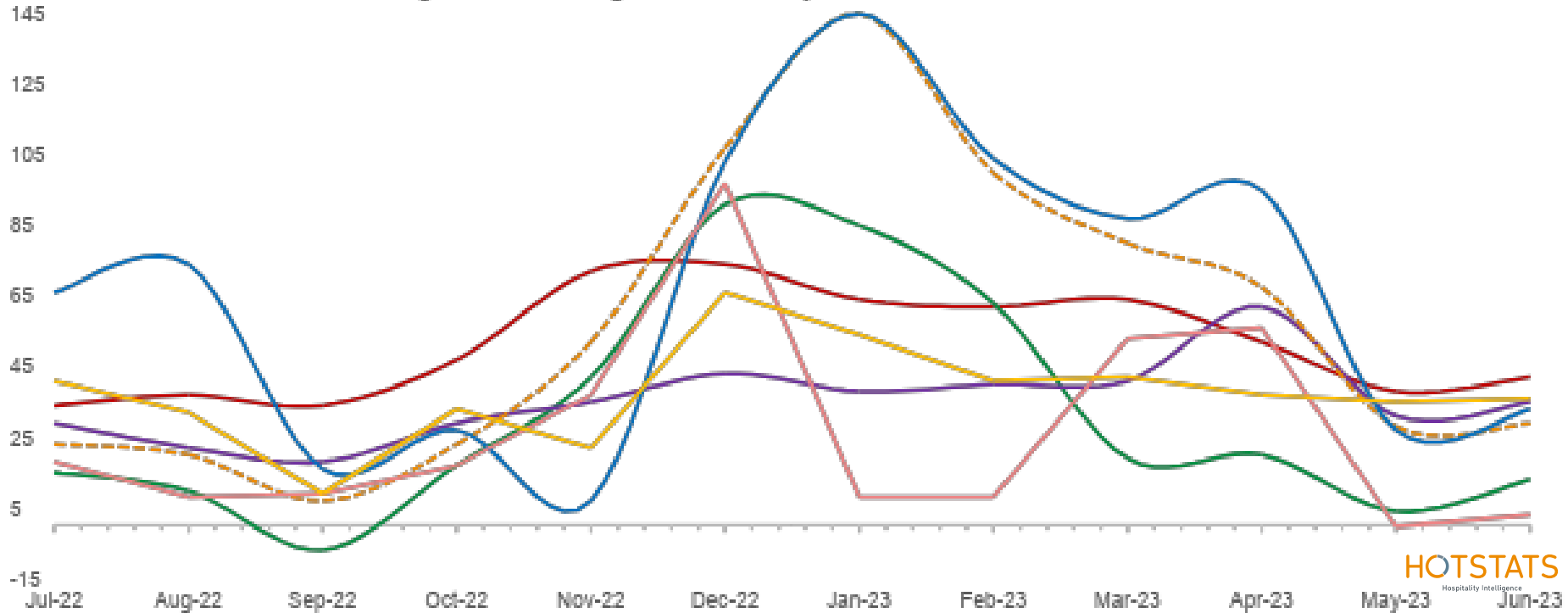
with **x%** flow through to **GOP**

GOPPAR: $\text{GOP} / \text{Number of Available Room}$

GOPPAR Thailand

12 months rolling (US\$)

— Bangkok — Chiang Mai — Pattaya — Phuket — Samui — Krabi — Hua Hin



HOTSTATS
Hospitality Intelligence

Hotel Revenue:

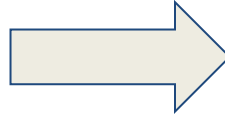
Forecast by segment & by room type

Design a Sales & Marketing plan

Benchmark your compset S&M practices

A budget is a **business plan** focused on **numbers**.

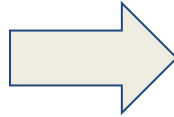
Hotel Revenue



Operational Expenses

**Increase the Chinese
traveller's segment by
x%**

= xKUS\$



Direct:

- **Chinese website:** translated in Chinese, hosted in Mainland China (ICP), using Chinese Apps, optimised for mobile,
- **Traffic generation & extended direct web:** WeChat Mini Program (connectivity + marketing), Douyin, Xiaohongshu, Baidu, Weibo, Mafwengo, KOL, livestreams...
- Localised creative assets & copywriting,
- **Special packages** for CNY & Golden week.

Indirect:

- Contracts with Trip.com, Fliggy, Meituan...
- Channel manager supporting those channels,
- Tradeshows in China.

Operation:

- Accept Alipay & WeChatPay,
- Chinese speaking staff,
- Chinese restaurant or Chinese breakfast items,
- Cultural awareness training.

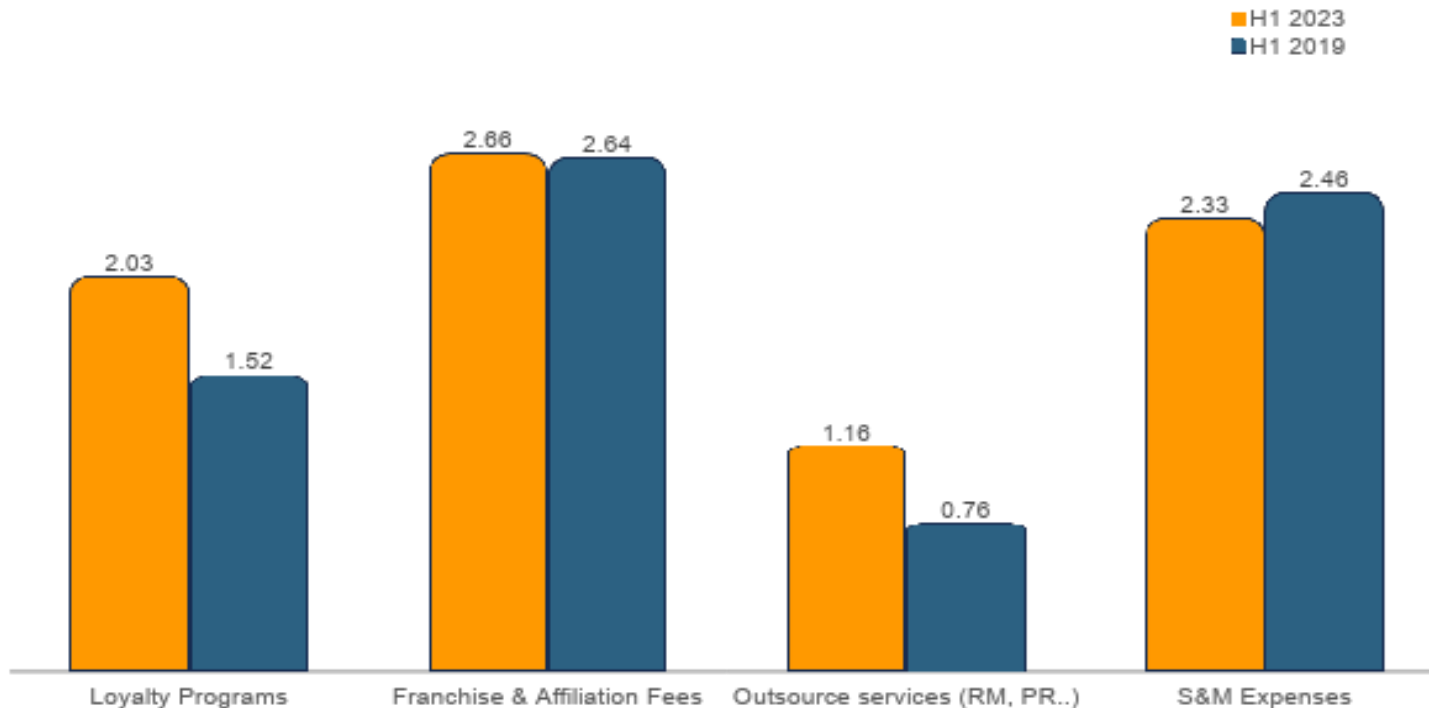
**Increase web direct
revenue by x%**

= xKUS\$



Sales & Marketing cost – Phuket

Cost per occupied room (US\$)

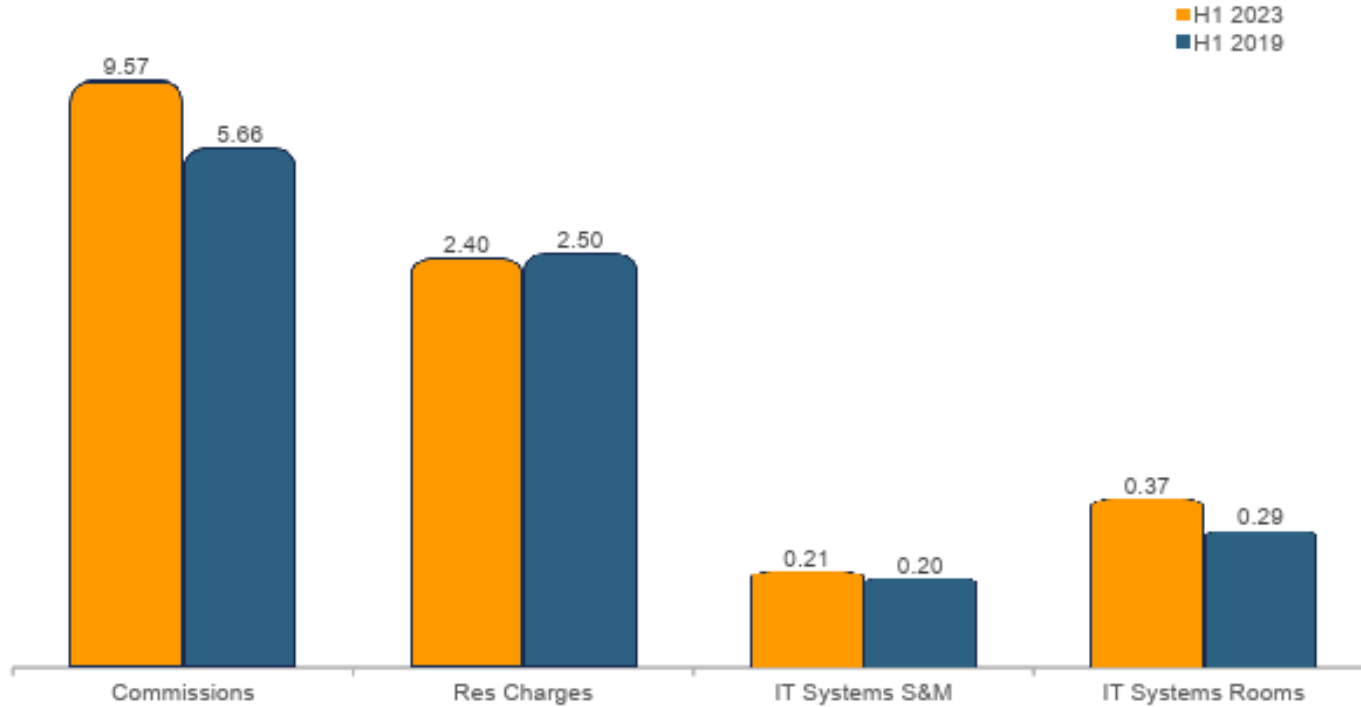


- **Outsourced services:** includes RM system, RFP platforms, market intelligence, website/PR agencies etc.
- **Sales & Marketing Expenses:** digital banners, online ads, OTA campaigns etc.

Source: Hotstats

Cost of Sale (Online Distribution & Systems) – Phuket

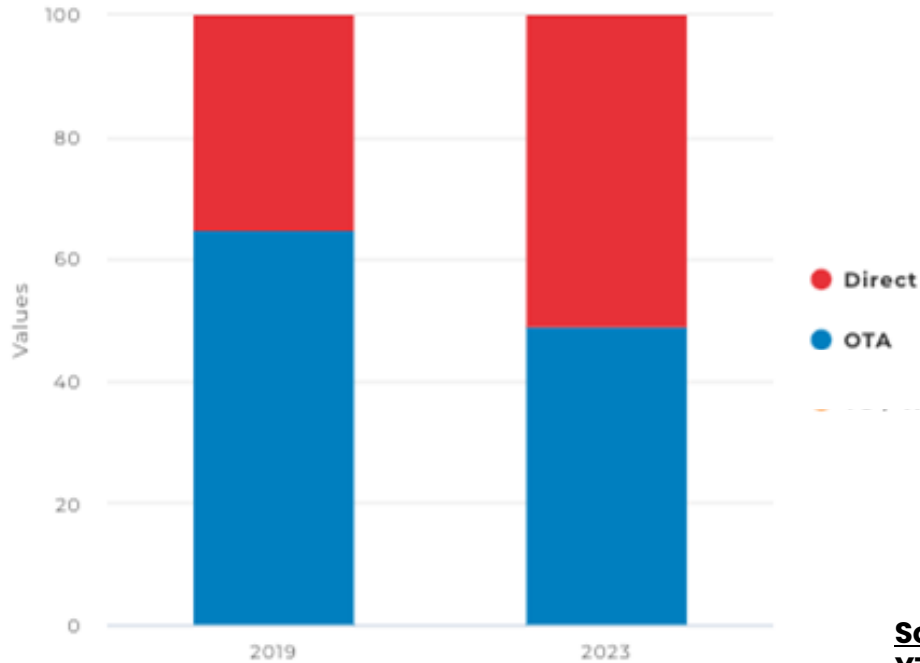
Cost per occupied room (US\$)



- **Commissions:** OTA excl. group commission
- **Res Charges:** system fee, CRS
- **IT Systems:** cost of maintenance/license, users.
 - S&M: sales & catering systems
 - Rooms: PMS and upselling apps

Source: Hotstats

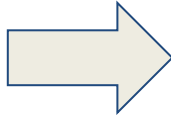
Web Direct Gained Momentum Since 2019 in APAC



**Source: D-EDGE recovery Tracker
YTD July 2023 vs. 2019**

**Increase web direct
revenue by x%**

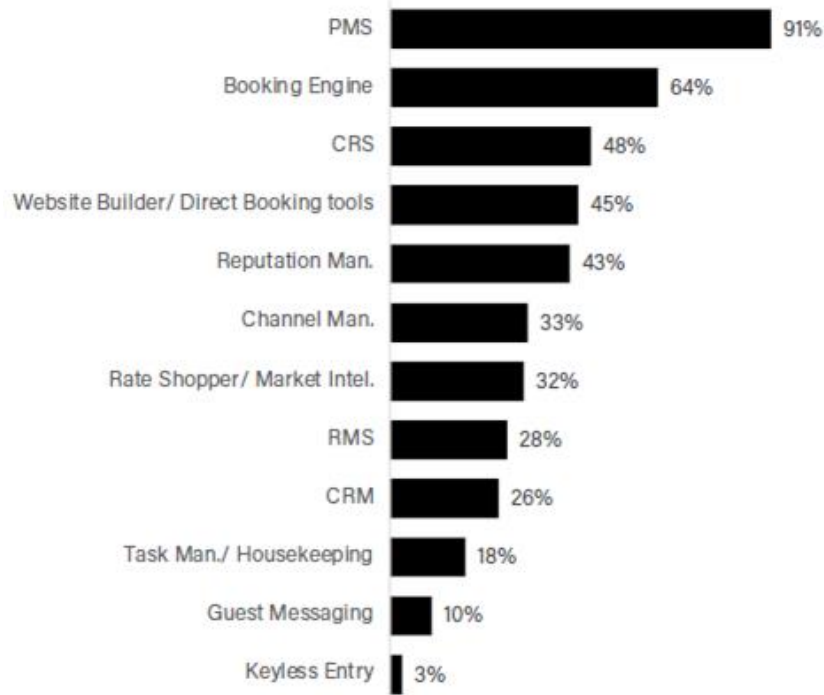
= xKUS\$



- **Website:** >3 years=obsolete
- **Content** creation (copywriting, pix, video)
- **SEO** (Structural, on site, outreach)
- **Social media accounts** management
- **Digital advertising** (Metasearch, paid search, display, social media):
 - Brand protection/prospection
 - In house/outsource
- Conversion-driven **booking engine**
- **Rate parity** checker
- **CRM** (data cleaning, emailing)
- **Tracking** (GA4, BI...)
- **Online reputation monitoring**
- **Training**

Tech Usage by Hotels Worldwide

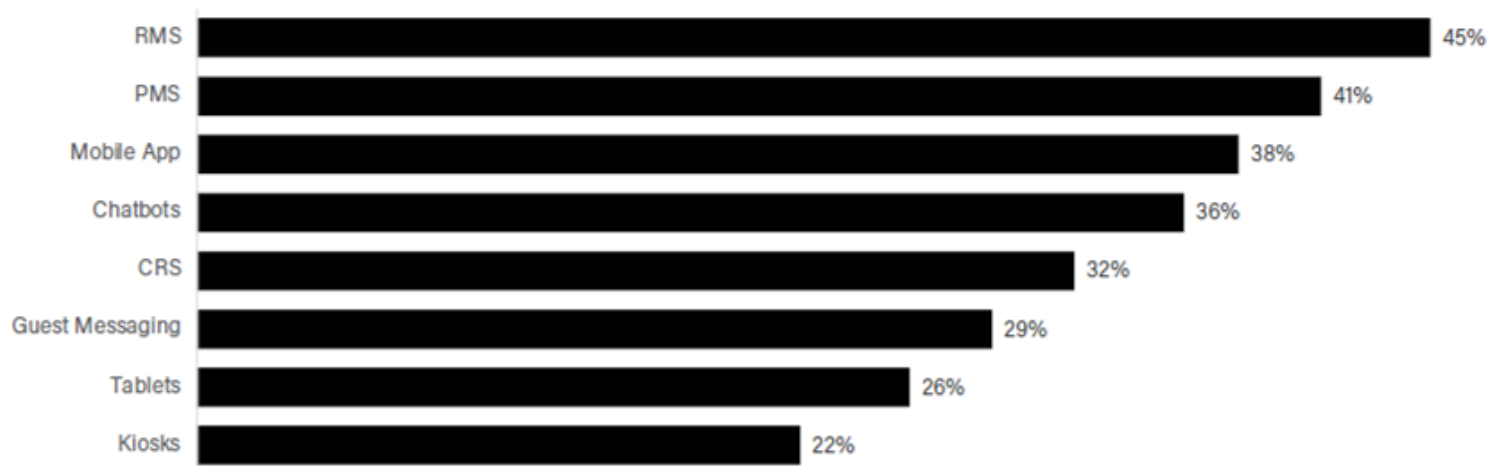
% of hotels using tech



Source: Skift Research
Hotel tech Benchmark
Data as of June 2023

% Hotel Operators Investing in Hotel Tech

Adding, upgrading or switching suppliers



Source: Skift Research

From 2022 Lodging Technology Study by
Hospitality technology

Reproduced from Hotel Tech Benchmark: Guest-
Facing technology: November 2022

Invest in Automation

CRS

Channel Manager

Rate Parity screener

Rate Shopper

RMS

BI & Reporting

Invest in Guest-First Tools

CRM

Booking engine

Online reputation monitoring

Social Media community management

Guest messaging

Chat bots

Invest in your direct channel

What is a good ROI?

It depends!

ROI: Net Revenue/ Investment

Revenue

- Your hotel ADR
- Your rate parity
- Your availability
- Quality of your ads/creatives
- Google quality score
- Performance of your website & booking engine
- Tracking/Attribution model

Investment

- Demand to your destination
- Your brand awareness
- Targeted feeder markets
- Your competition
- The quality of the optimisation
- In house vs. outsourced
- Strategy: brand protection vs. prospection

ROI Benchmark of Digital Marketing Campaigns

x17

Search

5.8% Distribution cost

x21

Metasearch

4.8% Distribution cost

x19

Display Ads

5.2% Distribution cost

Source: D-EDGE MediaGenius
Based on 400+ hotels in APAC

A Pragmatic Approach To Budgeting

- Start with **GOP** & work backwards
- Turn your **business plan** into numbers
- Invest in **automation**
- Invest in **guest-first tools**
- Invest in your **direct channel**
- Understand how **ROI** works



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