

SPEAKER

TOBY MARCH

VP SYSTEM INITIATIVES

of Design Hotels™

11.45^{AM} — 12.05^{PM}

Future Technology & Distribution Landscape

The changing travel landscape

Ongoing disruption as the hospitality industry shifts online

INDUSTRY


- Ongoing Consolidation
- Rise online intermediaries
- New dynamic business models
- Game changing approach to loyalty
- Revenue management engineering
- Cost of guest acquisition rising

GUEST

- Generational & travel pattern shifts
- Tech savvy
- Empowered and informed
- Always connected
- Social advocates

TECHNOLOGIES

- Lower cost & new technologies,
- Communication, network, storage improvements
- Digital transformation-web services
- Convergence of key technologies
- Real time guest segmentation
- Mobile set to revolutionize
- Proliferation of new tools



The big are getting bigger
*Economies of scale are critical to
industry profitability ... as is
market share*

- Vertically integrating brands
- Sales & distribution efficiencies
- Operating leverage

Striking the balance, leverage scale without
surrendering independence.

The barbarians are at the gate
*Online Travel Agents have
polarized and are vying to own
the guest*

- Dominant duopoly (+ Trip-advisor)
- Guest acquisition - Billions of spend
- Dependency growing - Independents

Hotels re-aligning their online strategies
ahead of over reliance



Large hotels are fighting back with recognition & reward

*Taking a game changing approach
to loyalty*

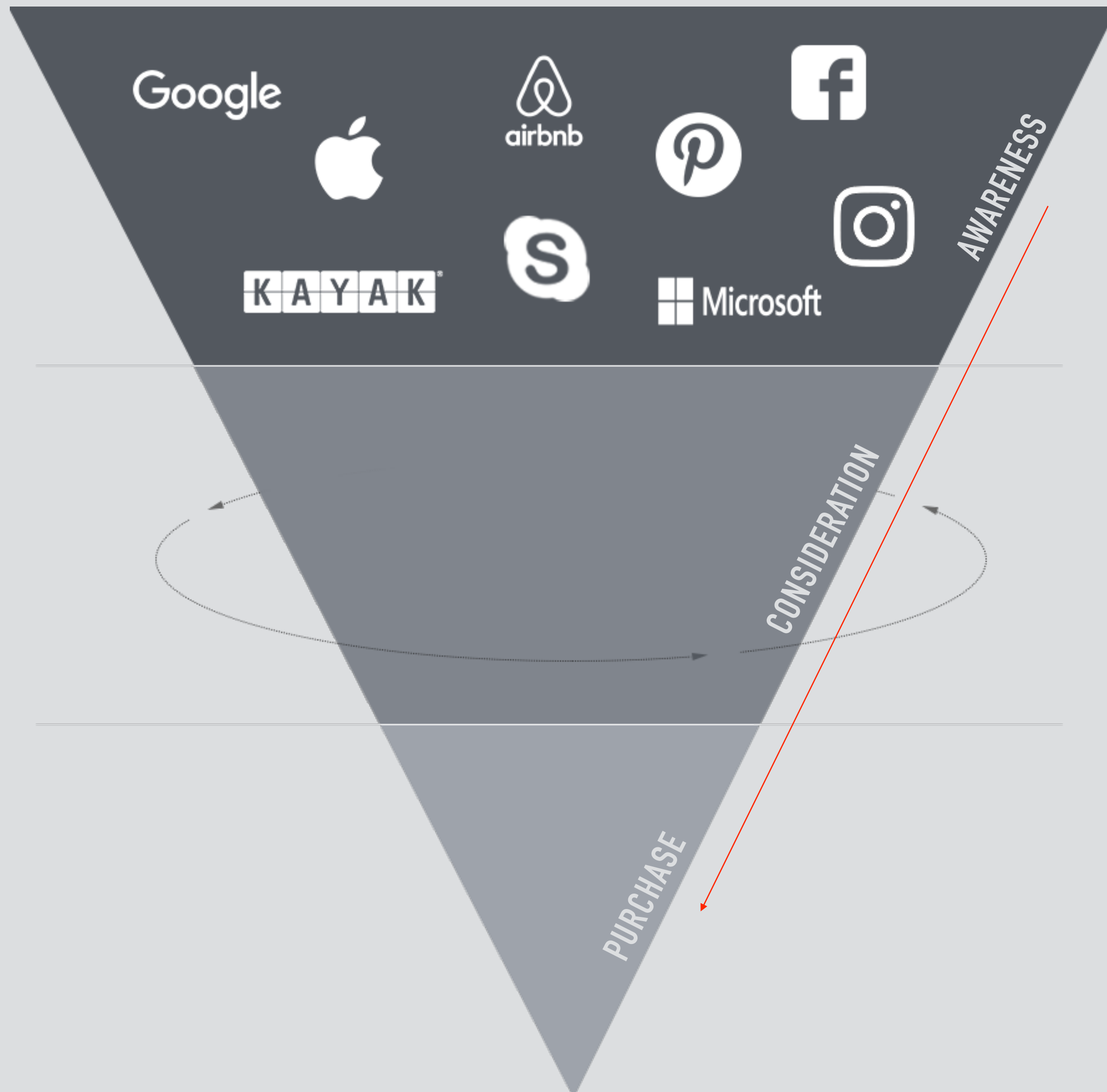
Driving member engagement & increasing
conversion

- Reinforcing the brand message
- Driving retention - Lowering cost of acquisition
- Share of wallet - Average rate

Differentially rewarding the desired behavior of
loyal guests

Engage and provide best loyalty based pricing and
availability





Everyone wants a piece of the pie

New market entrants are creating complexity at the top of the customer funnel

Peer to peer networks	→	Airbnb competition/distribution
Social media free business platforms	→	Pinterest/Instagram/Facebook for acquisition engagement and conversion
Search & meta search	→	Google hotel ad's & finder, trips, Kayak, Meta conversion Trip-tease
Other multisided platforms	→	Mobile phone makers, software developers

Embrace new players, be selective with who we work with



→ IMS

Digital marketing
Shopping response
behavior and history

→ PMS/CRS

Transactional data
Key performance indicators
Profile data
Folio history

→ CCC CALL CENTER

Operations/attribution
Call forecasting
Patience & servicing times
Event history

→ CMS

Market segmentation
Addressable market
Activities
Touch points

→ RMS

Pricing/Occupancy
Revenue optimization data
Integrated secondary data sources

→ CRM

Profile data
History & Preferences
Reputation management

First things first

*First, it has to be about
understanding the needs
of the guest*

Hotels are typically data rich and insight poor

Uniquely positioned to gather, make sense & use a
massive variety & velocity of data

Artificial intelligence methodologies

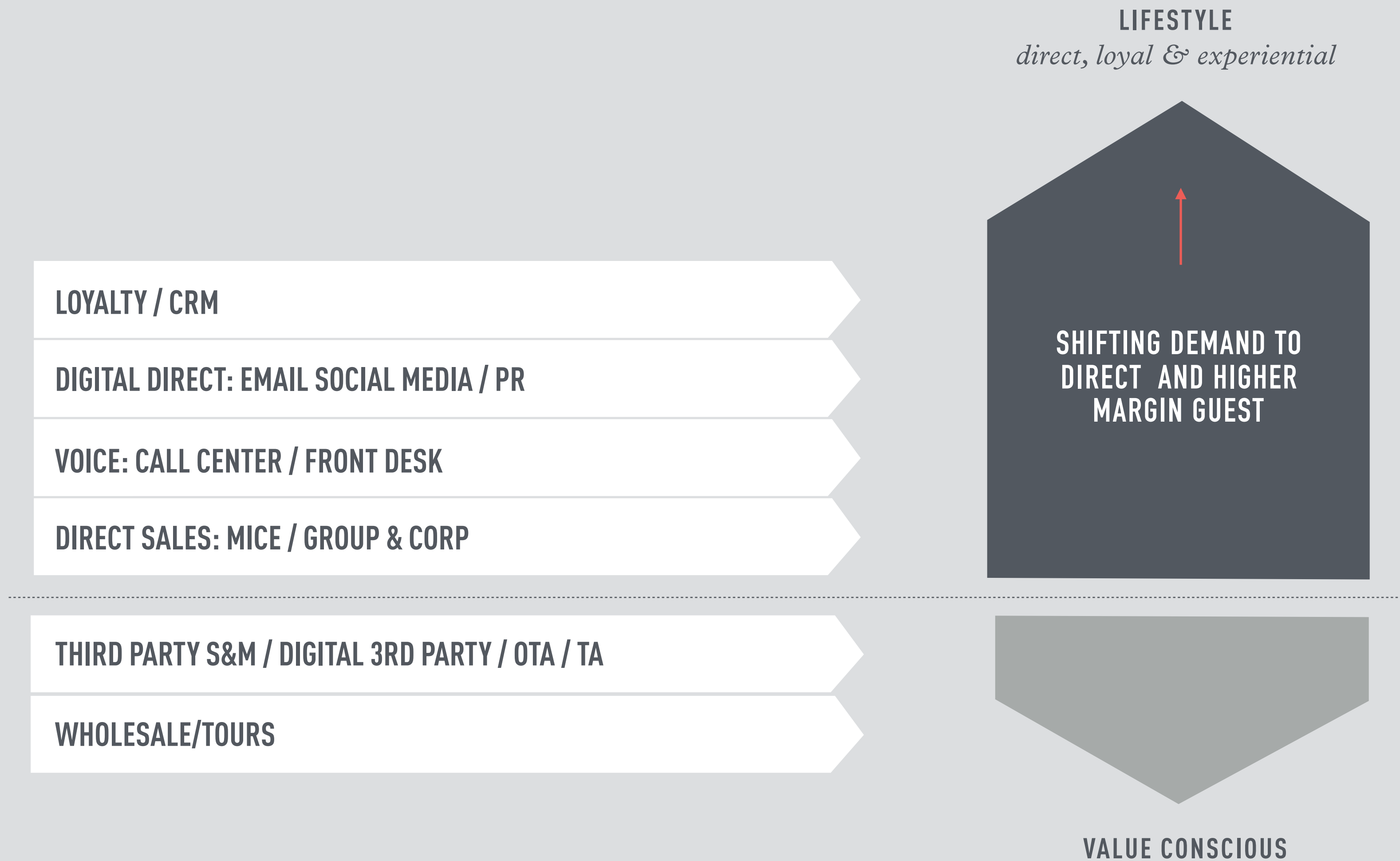
- Collaborative filtering - Common behaviors or interests
- Neural & Bayesian networks - Patterns in data & connecting seemingly unimportant unrelated data

New technologies enabling real time, in context, guest
segmentation & the /delivery of powerful personalized
experiences

Marketing intelligence & micro segmentation is
becoming an investment priority for recognition,
promotion, placement and pricing decisions

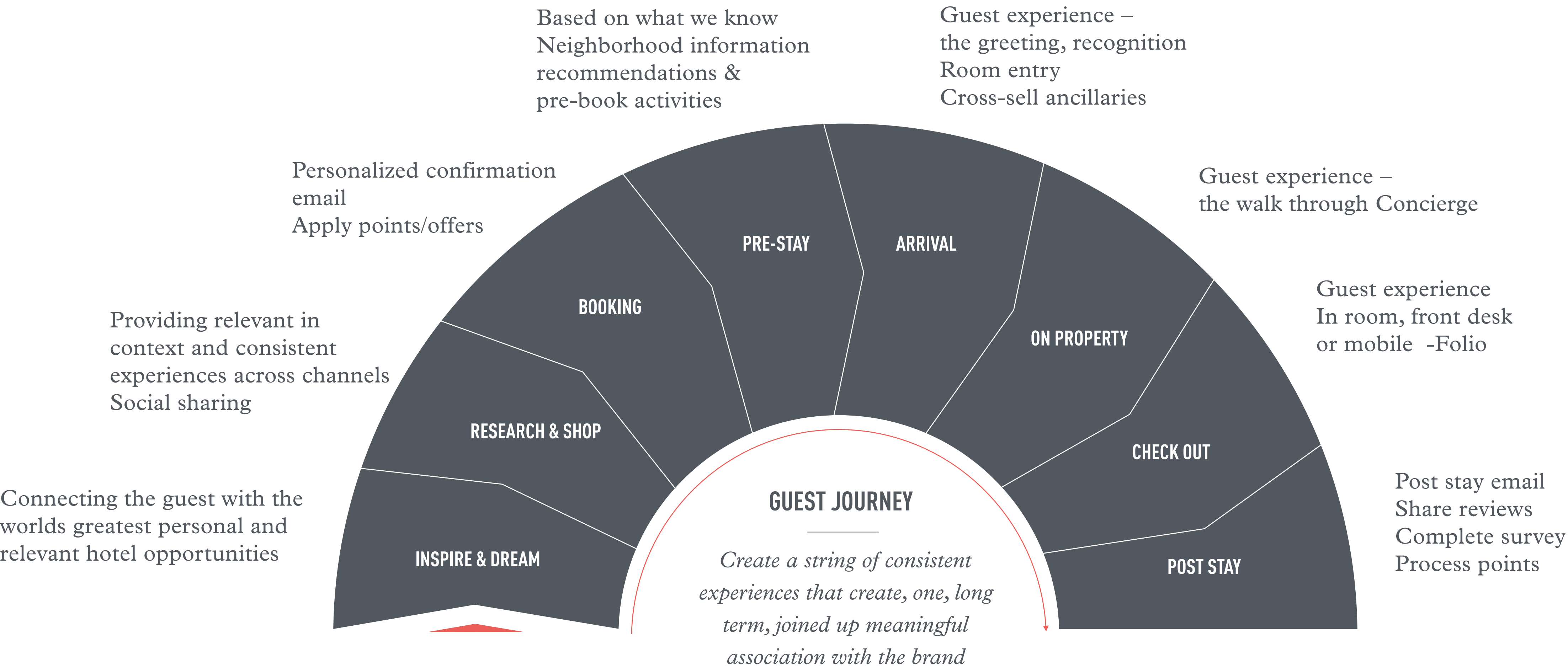
Making the most of our direct guest

shifting demand where possible to the higher margin guest



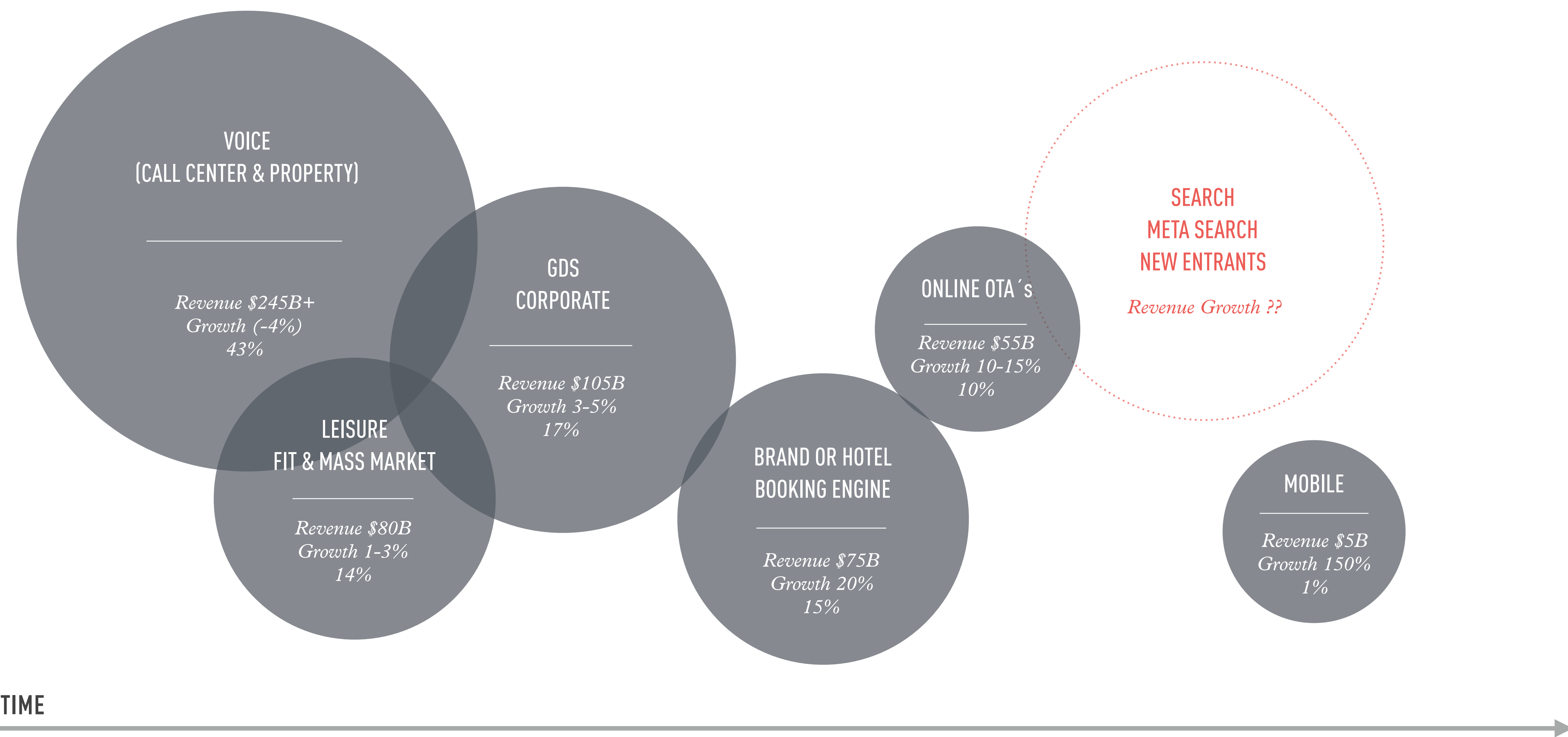
We have to be great overtime or we'll lose the guest forever

engaging the guest throughout their journey & providing a consistent story

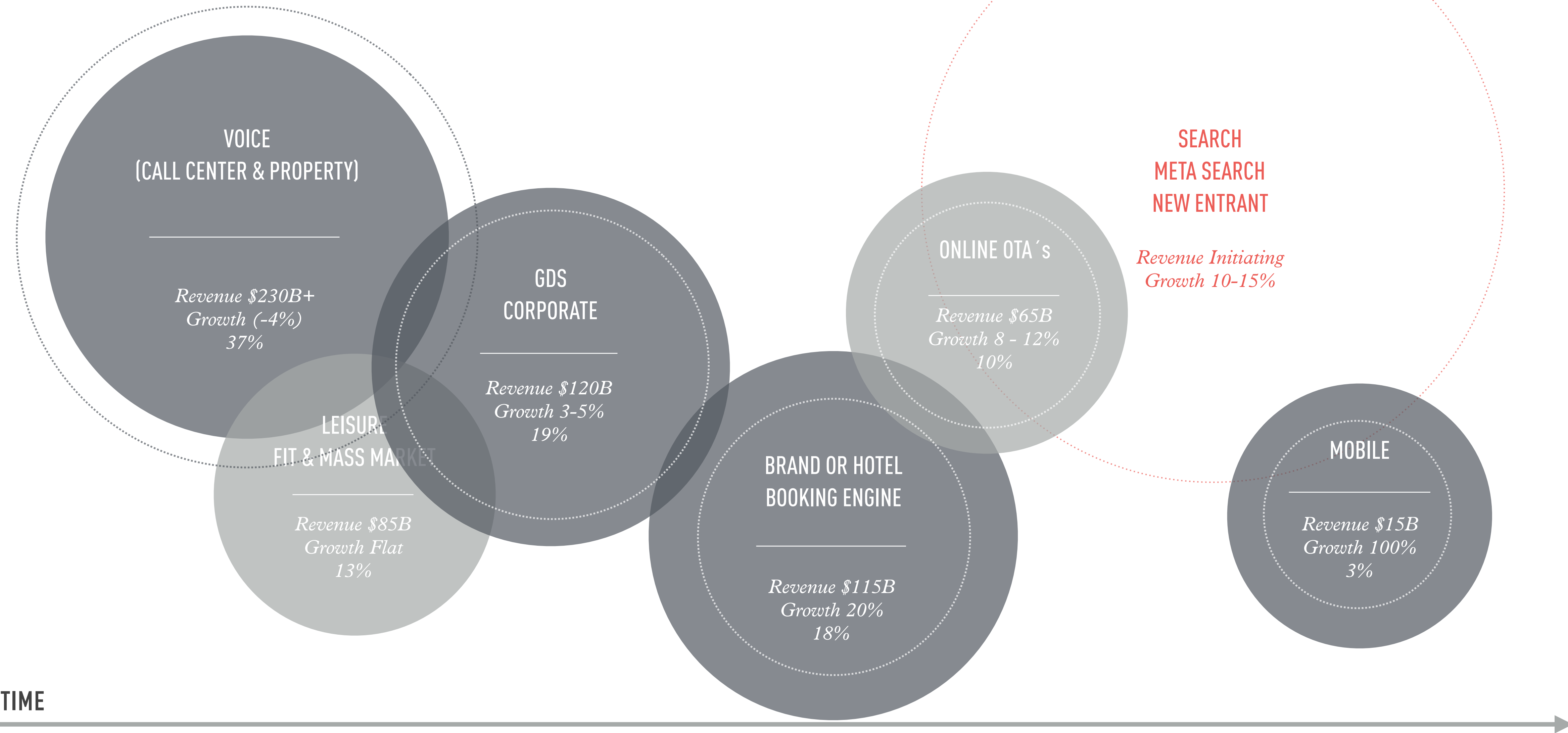


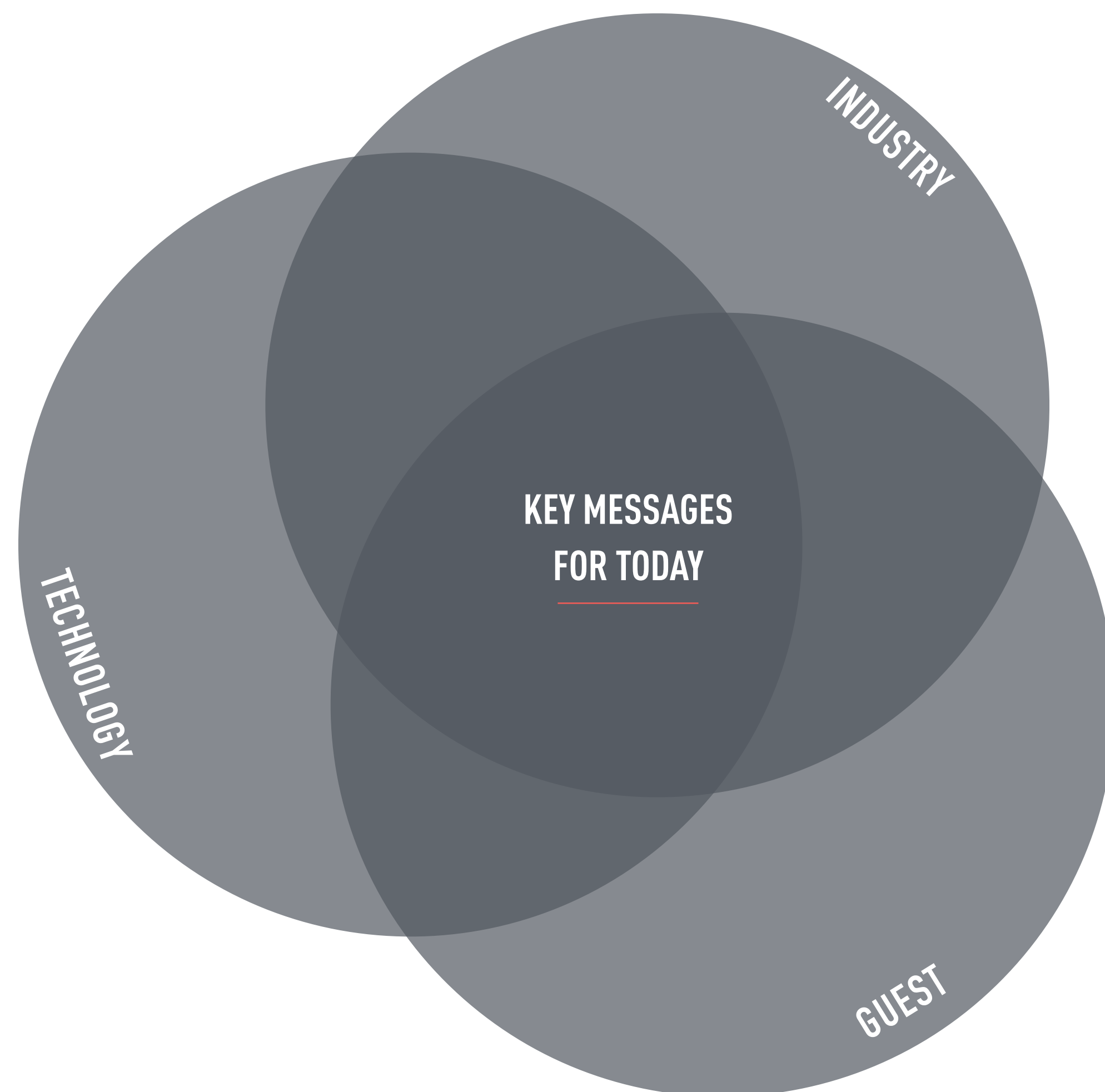
After all this time it's still voice that outweighs other channels

Directional channel mix - Market size \$565B



the discernible shift is to digital channels both direct and indirect
3 to 5yr directional channel mix - Market size \$630B+





Striking the balance
leverage scale without surrendering independence.

Realign your online hotel strategies.

Engage and provide your best loyalty based pricing and availability.

Embrace new players,
be selective with who you work.

Develop a deep understanding of your guest,
their purchasing behavior, preferences & loyalty

Don't just collect data use the insights.

Be wherever & however your targeted guests want to be inspired,
shop and buy.

Personalize the service offer.

Make the most of your direct channels.