

HYB25

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Navigating New Dynamics in the
New Year



The Hotel Yearbook

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10 Tips for Unlocking the Full Potential of Direct Bookings

Direct Bookings

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Direct bookings remain a vital revenue stream for hotels, yet growth in this area remains challenging. While online-direct booking channels have stabilized post-pandemic, their share has increased compared to pre-COVID levels—now accounting for 21% of total hotel chain bookings globally via hotel chains' Internet Booking Engines (IBEs).

Despite this progress, h2c's latest *Global Direct Booking Acceleration Study* highlights key strategic and technological gaps that hotels must address to maximize their direct booking potential. Drawing insights from 88 hotel chains (small, mid-sized and large, no mega chains) worldwide, this article presents actionable strategies to boost direct bookings, reduce reliance on OTAs, and strengthen guest relationships.

1 LOYALTY AND MEMBERSHIP PROGRAMS WORK

Loyalty programs are powerful drivers of direct bookings, yet they contribute less than one-third of total revenue for most hotel chains—except for large U.S. brands. The most common perks include exclusive member rates and special benefits. **Tip:** *Showcase these advantages prominently to increase enrollments and drive more direct bookings.*

2 MOBILE OPTIMIZATION ISN'T OPTIONAL ANYMORE

Mobile bookings now account for 42% of IBE revenue, up from 36% in 2019. While desktop remains the primary channel, its share is gradually declining, highlighting the growing importance of mobile-friendly booking experiences. **Tip:** *Optimize mobile websites, test mobile-specific booking flows, and ensure fast loading times.*

3 PERSONALIZED OFFERS ARE KEY TO CONVERSION

Personalization is a growing priority, yet only 9% of hotels currently use AI-powered personalization in their IBEs. This is expected to grow significantly, with 51% of chains planning to implement these features. **Tip:** *Leverage guest profiles from CRM data to recommend offers based on past stays or preferences.*

4 SIMPLIFY THE BOOKING PROCESS

Overcomplicated booking flows can frustrate users, leading to cart abandonment. According to the study, 78% of hotel chains cited rate display issues as a challenge. Simplifying the flow with straightforward navigation, transparent pricing and reducing unnecessary steps can enhance the user experience and improve conversion rates. **Tip:** *Use heatmaps or guest feedback to identify friction points and make the booking journey more intuitive.*

5 HIGHLIGHT THE VALUE OF BOOKING DIRECT

Guests often default to OTAs for convenience, but clearly showcasing the benefits of direct booking can shift this behavior. Promoting direct booking doesn't require a large marketing or technology budget—just strategic messaging. Highlight perks like better cancellation policies and exclusive offers. **Tip:** *Use your website and IBE to consistently communicate these advantages.*

6 INVEST IN SEAMLESS SYSTEM INTEGRATION

Fragmented systems limit personalization and efficiency. The study found that only 38% of IBEs are fully integrated with central guest profiles, highlighting room for improvement. Connecting systems like PMS, CRM, and IBEs enhances data flow and guest experiences. **Tip:** *Audit your tech stack to identify gaps and integrate key systems for smoother operations.*

7 UPSELL BEYOND THE BOOKING STAGE

Upselling shouldn't stop at booking confirmation. The study revealed that only 25% of IBEs offer item sales, yet 74% of hotel chains are considering implementation. Providing personalized upsell options throughout the guest journey can significantly boost ancillary revenue. **Tip:** *Leverage post-booking emails and apps to promote add-ons and upgrades that align with guest preferences.*

8 TEST, ADAPT, REPEAT

Continuous optimization is key, yet 29% of hotel chains cite limited resources as a major challenge in improving online-direct sales. However, small-scale testing—such as A/B testing booking flows or promotional strategies—can drive meaningful improvements without straining budgets. **Tip:** *Prioritize small, iterative changes over major overhauls for sustained progress.*

9 LEVERAGE AI FOR SMARTER BOOKINGS

AI-powered chatbots remain underutilized, with only 27% of hotel chains using them, while 44% have no plans for implementation. Voice-activated services see even lower adoption—just 2% currently use them, and 84% have no plans to introduce them. These numbers highlight missed opportunities to automate guest communication and improve efficiency. **Tip:** *Start with chatbots to handle basic inquiries, then explore voice services to meet evolving guest expectations.*

10 AUTOMATE FOR EFFICIENCY

Many automation opportunities remain untapped—43% of hotel chains have no plans to dedicate a team to identifying automatable tasks. Yet, on average, chains identified 6.6 manual tasks suitable for automation in the past year. **Tip:** *Create a cross-departmental team to pinpoint automation opportunities and prioritize high-impact areas.*

CLOSING THOUGHTS

Direct booking growth requires more than just technology; it demands a strategic mindset, continuous optimization, and a focus on the guest. By implementing these tips, hotels can enhance their direct booking strategies, reduce dependency on OTAs, and ultimately build stronger guest relationships. For more insights and detailed findings, read our full *Global Direct Booking Acceleration Study* available on our website.



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