



The Content Best Practices Series

Part 1 – Business Functions

The first publication in a series on best practices around creating, managing, distributing and using hotel descriptive content.

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Executive Summary

“Good content isn’t about good storytelling. It’s about telling a true story well.” — Ann Handley, Digital Marketing Pioneer, Writer and Speaker

Part of telling a story is using the right words to convey an idea and organizing those words into paragraphs and chapters for effective delivery to and clear understanding by the reader. In much the same way, the right hotel information must be created, organized and structured for effective delivery to and clear understanding by potential guests.

The HEDNA Content Best Practices series will examine many of the processes around the creation, management, distribution and usage of content. Contributors to this document series include various individuals in the industry with varying perspectives, expertise on these functions and who have volunteered to provide insight into what they have found to be successful. This first document in the series focuses on who should own the content within an organization, and how to create an ROI model for investment in content. There will be 3 additional documents covering content creation, management, distribution and usage to round out the series.

Definitions

Following is a list of definitions of common terms used throughout this paper.

B2B: Business to Business. Term used in e-commerce describing transactions conducted between businesses.

B2C: Business to Consumer. Term used in e-commerce describing transactions conducted between a business and the consumers.

CMS: Content Management System.

Content: The information about a hotel which is shown to the client in their chosen distribution channel. This includes text descriptions, visual media, rates and related policies.

Content Aggregator: A company that collects content from multiple hotels across multiple chains, i.e. GIATA, Northstar, Sumplex.

Content Distributor: A company that distributes content on behalf of a hotel or chain, i.e. GDSs, DerbySoft, Cvent (Lanyon), DHISCo.

CRS: Central Reservation System. System used by hotel companies to process their reservations.

Dynamic Content: Information about a hotel, generally date specific, which changes frequently, such as room rates.

GDS: Global Distribution System. Computerized reservation networks through which users (travel agents, airline employees, travelers) view data on a wide range of travel services, including air travel, hotel, car rental and like services. Several GDS's provide their services worldwide (e.g. Amadeus, Galileo International, Sabre) while others provide regional coverage.

Hotel Chain: A company that manages the administration, marketing and promotion of a number of hotels in various locations, typically under a single brand or collection of brands.

Hotel CRS Provider: A company that provides a reservations technology platform for hotels



Meeting Planner: Supervises and coordinates the strategic, operational and logistical activities necessary to produce events, including but not limited to meeting space, sleeping rooms, food & beverage, AV, etc. The planner can be employed by or hired ad hoc by corporations, associations, governments, and other organizations.

Metasearch Engine: A search engine where different sites are consolidated so that offerings can be compared. A meta site searches a number of sites for the consumer so they don't have to search each individually. The result allows the user to compare a product on different sites to determine where they will purchase.

OTA: An acronym for Online Travel Agency, a website that offers consumers the ability to research and book travel. Large, generalized OTAs provide access to hundreds of thousands of hotels, but smaller OTAs that serve specific markets also exist. Examples of popular OTAs are Agoda, Amoma, Booking.com, Ctrip, eLong, Expedia, Priceline, and Travelocity

Online Distribution Channels: Any online travel site that sells hotel rooms including OTAs, wholesalers, and Supplier sites.

PMS: Property Management System. The computer system in a hotel which contains information about available and occupied guest rooms, future reservations and guest charges (folios).

Property: An individual hotel where a guest stays

Representation Company: A company providing marketing services to hotels, typically referred to as a soft brand, i.e. Utell by Pegasus.

Semi-Static Content: Information about a hotel which changes periodically, such as policies and amenities.

Static Content: Information about a hotel, generally physical aspects, which does not change very frequently, such as hotel location and facilities.

Supplier: individual Hotel or Hotel Brand.



TMC: Travel Management Company. Companies that are contracted to manage business travel for corporate customers.



Overview

Introduction

Hotel content is a complex topic. Depending on your role in the hotel distribution ecosystem, content can affect you in various ways. If you are a hotel, you are likely tasked with providing the most complete and accurate details about your property to several distribution channels to attract potential guests. If you are an OTA (online travel agency), your target audience will drive the content you need, but is that content available and does it mean the same thing for every hotel? If you are a 3rd party provider of content services, you must balance the needs of the OTAs with the capabilities of the hotels, not only from the perspective of hotel information, but also from a data format, collection and distribution perspective.

This document is the first in a series and will address content from a business perspective in terms of ownership within an organization, and how to build an ROI model to justify investment in content. The remaining documents in this series will address many of the challenges around the operational functions related to collecting, managing, distributing and using hotel descriptive content.

Document Purpose

This document is intended to establish common best practices related to hotel descriptive content and can be used as a reference when determining organizational processes. These best practices are not necessarily meant as recommendations, but simply provide guidance on how one might approach the various functions related to managing hotel content.



Document Scope

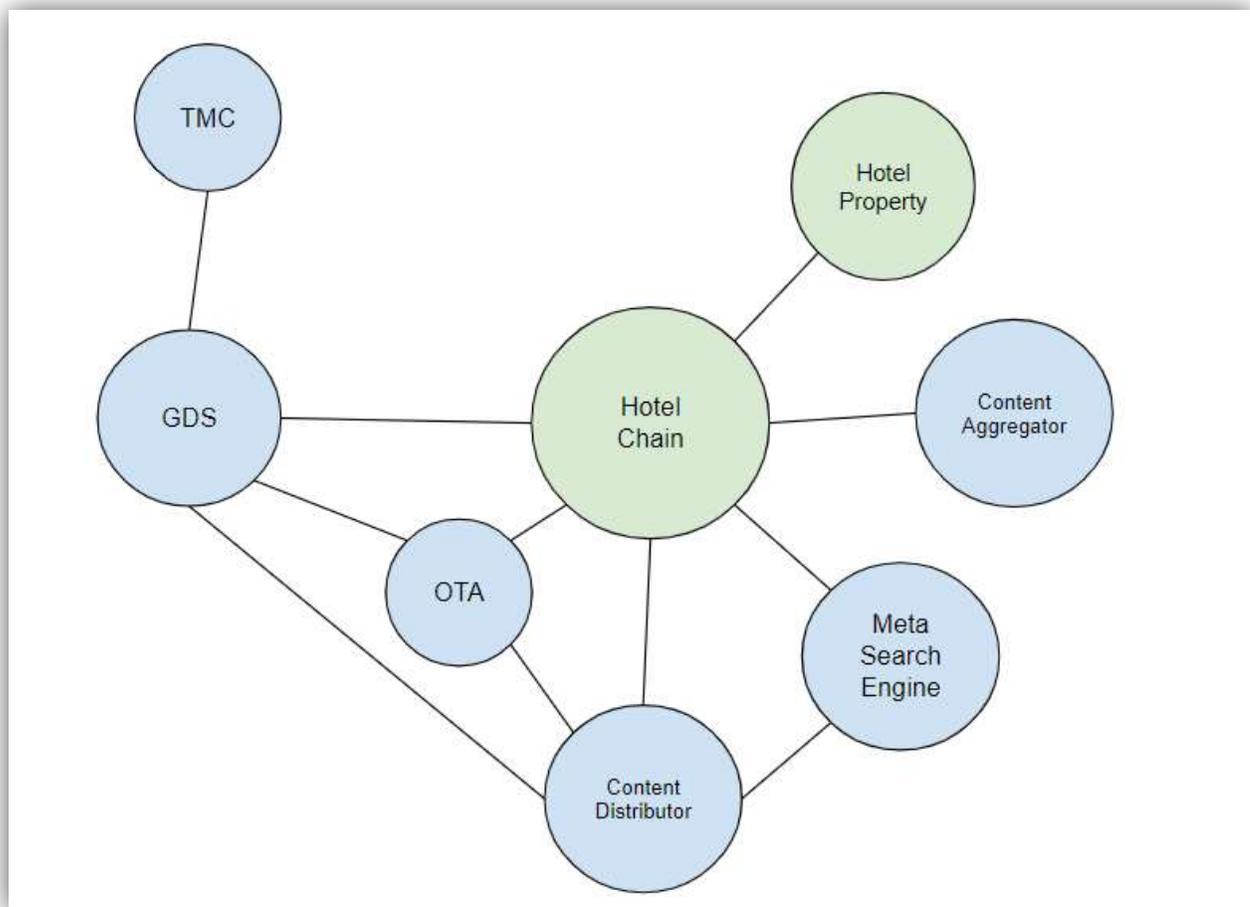
This document will address best practices at a high level and may reference other HEDNA material for further detail. For example, the section of this document that addresses content distribution will touch on distribution concepts, but further detail on distribution API options can be found in a recently published HEDNA white paper.

Intended Audience

Some or all portions of this document are suitable for hotel chains, hotel properties, content aggregators, content distributors, and any consumers of hotel content such as online travel agencies, travel management companies, meeting planners, meta search companies, etc. This is intended as a functional and business process guide, not a technical specification.

The Business Ecosystem

The content business ecosystem is a network of organizations - including suppliers, distributors, customers, competitors and so on - involved in the creation, management, distribution and usage of content. The following diagram illustrates the organizations involved in this ecosystem and how these players relate to each other.





Organizational Ownership

Content plays a key role in a company's overall efforts to establish and maintain a competitive position and subsequently grow their business. Since the Distribution department is typically focused on driving bookings through 3rd party distribution channels and the Marketing department is typically focused on direct channels, i.e. the brand website, the ownership of content between these departments tends to be unclear and often at odds with each other. One way to address this is by establishing a company content strategy that will help determine where the ownership should reside and guide any future decisions around content going forward.

In many organizations, the Distribution department looks after the hotel content. In bigger organizations, several departments can manage the hotel content from a creation, management and distribution perspective. For example, some hotel chains place ownership of the descriptive information about their hotels with their Distribution department, while the management of photos is owned by the same department responsible for the brand website.

Having at an organization level (whether for Hotels, OTAs, GDS, etc.) a unique role or structure easily identified by external parties to coordinate internally the efforts required to manage the hotel content is a good approach. This role shall also ensure there is a cohesive content strategy between marketing, data management and connectivity teams.



Determining the ROI for Content

In the hospitality industry, we've always heard the saying "Content is King" and while this may be true not all content is equal. Investing in content does not always provide the required return on investment therefore it is critical to calculate the content's (Return on Investment) ROI before expending any effort to acquire such content for distribution.

In most cases, consumers and users such as travel agents decide what content is important and thus drive conversion. While researching the topic, we've heard from several hotels that it is necessary to determine what content improves conversion before launching an effort to acquire content. Hotel executives should consider what content is required by the user that is shopping hotels in their market and within their competitive set. For example, consumers booking a five-star property will expect different content as compared to consumers shopping for an economy property. International consumers may require multi-lingual content; hotels should understand where their consumers are traveling from and why. Leisure travelers require different content versus business travelers. Simply stated, hotels need to understand their consumers before determining which content will provide the largest return.

How to Calculate ROI

Before reviewing how to calculate Return on Investment (ROI), let's define ROI. Return on Investment is a performance measurement used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment.



Specifically, for hospitality content, a hotel needs to determine the reach, new or incremental business or value to the business as compared to any development or acquisition costs which for such content.

Let's look at how to calculate ROI for adding a new language to your website. Once the decision has been made to add a new language, factors that go into calculating ROI include:

- Costs
- Return

Given any content improvement opportunity, there are many factors a hotel executive should consider when deciding whether to add new or improved content or localization to one or more distribution channel(s). Questions to ask prior to making such a decision include:

- What due diligence should I conduct upfront? For example, does the consumer or market require or want the additional content?
- Does the organization have access to such content or can the content be obtained through an external resource?
- Are there new regulatory requirements mandating the new content?
- Who owns the content once it is acquired?
- Can the content be repurposed or redistributed?
- What if any ongoing costs are known to maintain the content?
- Once the content is acquired, are there cost to distribute such content?

Content Types

Now, let's take a look at the types of content, the considerations that will affect costs, and the resulting value gained from each.



Visual Content

There is no doubt that visuals help sell travel and hotel rooms – for that matter, visuals help sell almost everything. Consumers in the search phase are looking for all representative visuals to showcase the destinations and hotels being considered. First and foremost, the focus should be primarily on photos. We are not trying to minimize the importance and value of richer media, like videos and 360° Virtual Tours, but the foundation of any visual representation of a hotel starts with photos. If you don't have photos, or professional photos, this should be your first investment priority with regard to visual content. Once you have the photos in place, then you can turn your attention towards richer media.

As internet browsing speeds have increased and screen resolution continues to improve, the consumption of videos and 360° tours grows dramatically every year. It is no surprise that YouTube is the 2nd largest search engine (behind Google) processing 3+ billion searches a month – people prefer looking at videos rather than having to read descriptive text. 360° tours can help prospective guests gain a better sense of the spaces, and as technology and virtual walk-throughs continue to improve, we expect 360° tours will also gain more traction.

If you're considering investing in visual content, here are a few things to consider:

- Which types of visual content do I need or want to provide? Photos are less expensive and faster to produce than video, plus they have a higher share rate, but they have less of a lasting impact than video. So, if viewer stickiness is a high priority, video is the way to go.
 - How often will I need to refresh or update the content? This will impact your costs in subsequent years to keep the visual content up to date.
 - What do I want to feature about each hotel? This will help determine the extent of the visual content needed per property, and subsequently what it will cost.
-



User-Generated Content (UGC)

User-Generated Content (UGC) represents all forms of content created by consumers. In relation to the hospitality industry, this usually includes social media posts and online reviews. The latter has a high impact on a hotel's reputation, online visibility, and revenue.

The most common way to acquire new/unique UGC is using survey collection software. Using guest surveys, hotels can proactively solicit guest feedback, analyze the results, and make the right staff and procedural adjustments. It also indicates the guests' satisfaction level. Costs of survey tools vary depending on the size of the hotel property or group.

Distributing and marketing guest reviews is a powerful way to benefit from UGC. As travelers tend to trust the opinions of people like them, this has a direct impact on direct bookings and revenue. Once the processes have been automated through tools like TrustYou, hotels can benefit from a continuous output of UGC without any additional manual work.

Studies show that travelers are more likely to book and pay more for a hotel when it has higher review scores. Therefore, a positive review score enables hotels to adjust pricing and room rates based on UGC, i.e. guest reviews. The first step to measure ROI is to know the status quo of the hotel's reputation and performance based on customer reviews and improve it.

The following KPIs help to determine and improve review scores and the overall online reputation:

Performance Score. For an overview of how the hotel is meeting the expectations of guests, hoteliers should use their performance score. This metric is calculated by using a review algorithm that analyzes every review that has been posted about the hotel on the web and in the hotel's guest surveys. Thus, enabling hoteliers to determine trends, pinpointing a top performing hotel within a portfolio, and checking out how well a hotel stacks up against



their competitors.

Sentiment & Impact Scores. Key sentiment categories are useful to understand what drives the overall scores, that the hotel can invest in the areas that impact scores the most. As a recent study showed, categories like room, bathroom and room maintenance are known to have a negative impact on review scores, whereas service and friendliness on average have a positive impact. Knowing and acting on the categories that have the biggest impact on a hotel's reputation results in better review scores and an overall improved score that can be showcased across the web for more bookings.

Benchmark against the competition. Comparing a hotel's performance with the competition is a highly important KPI to determine the areas that are mostly valued by travelers and that hotels should focus on to outperform their competitors. This can either be done on a property level, very concretely and related to a specific location, or in relation to an entire hotel group to adjust strategies and identify shortcomings on an enterprise level. The competitor analysis can be deployed on overall or category scores and gives detailed insights to adjust the business strategy.

Determine the right ADR. After analyzing and improving the review scores, hotels can put the scores of their surveys in context to room rates and room types to measure the actual ROI of UGC. This requires the connection of guest data with the above-mentioned guest survey tool. This way, hotels can see exactly the parameters of a guest's stay: which room type they booked, which rate they paid, where they booked the stay, and in connection with the survey tool, how they rated his stay. Applying this to all guests, hotels can easily see how specific room categories are rated, if the price is impacting the score in a specific period, and how satisfied the guest is with the overall experience. Based on this, hotels can make the right adjustments and changes to the ADR to measure ROI coming from user generated content.



Channels of Distribution

The cost of creating content is considerable, but content is extremely important in creating the best experience around your brand/hotel/destination and of course ultimately conversion. It is therefore a good idea to evaluate each content distribution channel directly on its ROI.

There are several content distribution channels available for hotels, mainly these can be grouped as:

1. The brand websites (including blogs, microsites, etc.)
2. OTAs
3. GDS

The brand website needs your best content – this is where customers come for the full brand experience and expectations are high. Users are open to spending more time on your sites and rich media such as videos are an excellent opportunity. SEO is a driving factor here as well – when someone searches for your destination and especially your brand, your site should be the first result. Generally, this is also your lowest cost of doing business and potentially your highest ROI. There is a flat cost in developing and maintaining the site, but no cost in commission for bookings, and the more properties you have the greater the economy of scale.

Assuming your website already exists, you can calculate the ROI by taking the additional cost of creating a specific piece of content and the revenue generated by traffic that engaged with and then converted from that content.

OTA is an extremely important channel, in some cases, the channel with the most bookings due to the enormous volumes of traffic to OTA sites. You cannot reuse the same content as in direct web, since content needs to be unique for SEO value. User expectation and usage here is also different. Conveying the brand tone/style is always good but users are not fully



immersed in the brand as they are on the direct web and you are competing with many other properties and brands. Conversion rates tend to be good and cost of content development is lower, but you will need to account for the commission costs.

You can calculate the ROI by taking the additional cost of creating/adapting a specific piece of content for the OTAs, the commission of the booking and the revenue generated from a particular OTA site.

GDS is primarily business travel or travel agency channels. Much of the content is standardized and as with the OTA you cannot reuse the same content as in direct web since content needs to be unique for SEO value. The most important element about GDS content is how travel agencies filter the information during the shopping process. If you fail to fill in required data fields, the hotel may not appear during the search process. It is always recommended to review your GDS content at least annually.

As with OTAs, bookings through GDS are commission based, so the ROI calculation would be obtained in the same manner.

Example ROI Models

As we know, ROI is $[\text{Revenue} - \text{Cost}] / \text{Cost}$. Knowing the Revenue is generally straightforward. It's figuring out how to attribute the cost to each channel that can get more complex.

Brand Web ROI: Assuming a brand web site/digital presence already exists and the inherent costs with developing that channel is already accounted for, you simply need to calculate the cost of the content:

$$[\text{Direct Web Revenue} - \text{Cost of Content}] / \text{Cost of Content}$$



OTA & GDSROI: Generally, the only content involved here is property content. The cost needs to include both that of generating or adapting existing content as well as the cost of the commission, divided by the revenue from that OTA/GDS. The most optimized form would be to do this by individual property, but when looking at an OTA as a whole, you can also do it for all properties combined:

$$\frac{[\text{Revenue from specific OTA} - [\text{Cost of Content} + \text{Cost of Commission}]]}{[\text{Cost of Content} + \text{Cost of Commission}]}$$

For example, if the commission for a particular OTA is 20%, then the Cost of Commission would simply be $[\text{Revenue} * 0.8]$.



Conclusion

When dealing with the business aspect of content within your organization, it is important to first define your content strategy. This will provide the foundation for all of your decisions around content creation, management, distribution and usage. Then you need to determine who owns this strategy as they will be responsible for alignment with the strategy across the various departments that touch content. From an external perspective, your customers should also have a single point of contact for content to provide a clear, common message that ties back to that strategy.

Evangelizing the value and importance of content within your organization can be a critical step in fulfilling your content strategy. Without an understanding of the ROI, it will be difficult to get the investment required to acquire the content needed. Take the time to understand the costs and value of each type of content, as well as the channels in which it will be used.

Once you've met these goals, you will be ready to begin creating content. Best practices around content creation will be addressed in our next publication in this series, followed by content management and distribution, and finally content usage so stay tuned.