Online hotel's sales strategies with emphases on web booking

Ljubica Pilepić
University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia

Maja Šimunić
Liburnia Riviera Hotels, Opatija, Croatia

Tomislav Car
University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia

Abstract
The purpose of this paper is reflected in the detailed study of world achievements in the context of Information Communication Technology (ICT) development in online hotel sales matching empirical findings which consist of the entire process of designing and setting up rates and sales strategies. Today's hospitality industry development in the form of hotel software solutions as well as own websites that participate in the sales strategies of individual hotels and hotel chains determine the business policy of creating a rate with respect to the season, occupancy. One of the biggest challenges hoteliers regularly meet is setting currently valid rate on Online Tourist Agencies (OTA’s). The reason is that any rate change must be sent to all these websites at the same time because of rate parity. Case study is based on research planned to explore the frequency of use of ICT in Croatian hotels and their online sales strategy to answer the question of where the Croatian hotels are in relation to global trends in the context of on-line sales and marketing. The reservation process is dependent on a large number of dynamic parameters. Synchronization process of rate placement with reservation processes depend on a number of variables that need to be considered and matched in real time with the use of the existing programs. Since the OTA’s are prevalent because of their financial power to invest in marketing campaigns on the Internet, hotels are forced to cooperate with them in order to be visible. In terms of the exponential growth of online sales investment in information and communication technology and the use of modern online sales channels are necessary not only for the successful business, but also for the survival of the hotel in the market. The paper aims to show the importance of the implementation and modernization of the latest software solutions in the hospitality industry.

Keywords: OTA’s, rate parity, ICT, Croatia, hotels, Rate Synchronization Process
INTRODUCTION

The world is home to 7 billion people, one third of which are using the Internet. Over the last five years, developing countries have increased their share of the world’s total number of Internet users from 44% in 2006, to 62% in 2011 (ITU, 2011). Internet penetration in Europe amounts to no less than 63.5%. The Top Ten Internet Countries in Europe are Germany, Russia, the United Kingdom, France, Italy, Turkey, Spain, Poland, the Ukraine and the Netherlands (Internet World Stats, 2012).

The above facts clearly indicate that the number of Internet users is steadily growing. Hence, this medium has increasingly fewer limitations as a sales, distribution and promotion channel. The global nature of the Internet inevitably means huge competition, but also huge opportunities for doing business with partners and customers regardless of where they may be located in the world. More and more, the Internet is displacing conventional means of business, while opening up new possibilities in new business opportunities.

In the hotel and tourism sector, the Internet is changing the way the conventional elements of marketing strategies are strategically determined and operationally introduced. The 4Ps (product, price, promotion and place) – the classical elements of the marketing mix – are being adjusted to the features of the Internet, as the most important communication infrastructure of modern times. The new 4Ps now comprise participation, personalization, predictive modeling and peer-to-peer communities (Ružičić et al. 2009, 66). In this respect, the greatest change has occurred in the distribution and promotion of tourism products and services, while lesser changes have also taken place in the pricing and creation of new tourism products.

For the hospitality industry, the online booking business is a logical way to extend bookings to their central reservation centers. Third-party travel companies such as Booking.com, Expedia, Last-minute, HRS, and Travelocity among many others have gained a large amount of visitors looking for a one-stop-shop for all hotels in the city. The recent economic crisis is causing a huge decrease in demand and increase in the race at which hotels are participating with online distribution vendors.

The following explains the hospitality sales policies with emphasis on web booking. This paper gives an overview of trends and role of distribution channels in the world's hospitality industry. Analysis performs online distribution channels modern trends with emphasis on web booking in Croatia. Although the data processed in reviewing the online booking in the Croatian hotels are of a smaller volume, they are nevertheless vital in analyzing the current state on the domestic market. Finally, closing remarks are made concerning the state and role of the internet booking, and guidelines are suggested for Croatian hoteliers that will enable them to keep abreast of world online booking trends and be on an equal footing with other actors on the online tourism market.
1. HOSPITALITY SALES POLICIES WITH EMPHASIS ON WEB BOOKING

There are different ways for potential tourists to find the hotel where they want to spend their vacation. Figure 1 shows the channels that consumers use to find hotels on the Internet.

Figure 1: Key channels consumer use to find hotels on the Internet

<table>
<thead>
<tr>
<th>Brand Sites</th>
<th>Travel Sites</th>
<th>Search Engines</th>
<th>Email</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Loyalty</td>
<td>Deals, Travel Agency</td>
<td>Destination, Activity, Events</td>
<td>Deals &amp; Getaway</td>
<td>Friends and Referrals</td>
</tr>
<tr>
<td>IHG</td>
<td>priceline.com</td>
<td>Google</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marriott</td>
<td>Orbitz</td>
<td>Yahoo!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hilton</td>
<td>travelocity</td>
<td>Bing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accor</td>
<td>Expedia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Western</td>
<td>Booking.com</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starwood</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheraton</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author's research

Brand-loyal consumers always or at least mostly book their accommodation on chain websites. These consumers are typically brand fans or are attracted to specific brands based on loyalty programs. Still, many consumers go to third-party websites when looking to compare travel choices and to find the best solution to meet their needs. Often they look for hotel, air, and car packages. An increasing number of people go to search engines to research and find travel choices. These consumers are looking for specific things – hotels close to certain attractions, business through corporate promotions, incentives, etc. Another set of consumers book travel through specials they receive via e-mail, Social media channels such as Facebook, Twitter, MySpace, YouTube, and Flickr have become powerful tool for hotel marketers to reach potential guests. The attraction of social media is that people like to hear from friends who could tell many more friends about the wonderful vacation they had at some resort and then spreading the good word to more and more people.

Mobile search is also present and is promising in the future. Mobile marketing is on course to become one of the major channels through which consumers navigate and search the Internet. A new generation of mobile applications enables easier booking and quick access to property-specific information and deals. Hotels have to move quickly to optimize their websites to offer mobile booking functionality with biggest jumps in Android and iPad-supported application (Aggarwal & Aggarwal 2010, 20).

The consumer surfs through so many websites and promotional messages before making a final decision on which hotel to book. It depends on the hotel and its marketing strategies and activities to determine which of those stops moves the guests to generating business in their hotel. No doubt every hotel will have its own combination of touch points that its consumers
are most likely to have contact with and that will influence the booking outcome. The Complex Hospitality Reservation Network consist of the major components of the distribution system: Central reservation system (CRS), Property management system (PMS), connectivity to Global distribution system (GDS), Online travel agency (OTA), search engine, Channel management, Branded websites for hotel, Revenue management tools (RMS) and Content management system (CMS) (Estin Green & Lomanno 2012, 49).

The main categories of information that need to be distributed are: hotel rates (frequency changing, dynamic), hotel availability (frequency changing, dynamic), hotel information such as room types, package types, amenities, location, contact information, meeting space (infrequency changing, static), rich contents such a photos and videos (some dynamic and some static), which is a category that is growing in importance.

The primary types of connections between distribution partners are from a hotel's CRM to GDS and to OTA, while most use an industry switch/channel partner for this link (such as Pegasus, HBSi or Derbysoft), some include a channel management tool to permit a hotel to update in one place for multiple connections to smaller third party vendors. The switches use their extensive databases to populate many websites, and they related changes from GDS and Internet sites back to the hotel central reservation system (CRS) so that the hotels can service the business.

Most hotels and chains use the Pegasus switch at a minimum to connect to the GDSs but the largest international chains maintain direct automated connections to a few of their larger GDS and OTA suppliers. Some individuals hotel have direct relationship with OTAs by using connections with some manual intervention like an extranet, or there is still widespread use of email or fax. Some OTAs also store rates and inventory then send a message to the hotel CRS for booking only. Many small hotel groups or independents use a third party reservation company like iHotelier, Micros-Fidelio or Synxis to provide most connections, they may still maintain a few extranets to OTA's for which the updating is often streamlined by the use of a channel management tool, often incorporated into the reservation system.

A hotel's inventory and rates are managed mostly by revenue management department centrally. Before a hotel publishes rates and inventory to OTA's they always rely on the Property Management System (PMS) data to decide how many rooms and which rates will be published. To optimize Internet sales is a crucial process and ultimately optimizes and increases revenue. By synchronization process hotels can set the inventory, rates and rules and have these published automatically to the hotel's website as well as to the various Internet Distribution Channels in use. In other words, supporting the currently offered software solutions that in terms of the exponential growth of online sales in the total sales of the hotel is crucial; investment in information and communication technology and the use of modern on-line sales channels are necessary not only for the successful business, but also for the survival of the hotel market. By analyzing the data collected by research it is proven that the number of reservations made through the Internet is growing in relation to direct sales. Since the OTA partners are more prevalent because of their financial power to invest heavily in marketing campaigns on the Internet, hotels are forced to cooperate with them in order to be visible on the Internet. Automated synchronized process saves lots of time and money. This way managing rates and inventory for Internet sales would be done from the hotels property management system. Therefore there would be no need to log into all types of third party websites the hotel has a contract with or Channel Managers to manage rooms, rates and inventory. Any changes to rules, inventory or rates would be automatically synchronized with
the OTA’s and other third party websites. Also, reservations made by any channel would be automatically integrated into the PMS in real-time ensuring that the PMS inventory is always up to date and what is extremely important is that it shows the correct view of the hotel's occupancy. Reservation agents would no longer have to worry about pending reservations that have to be processed, or updates that need to be done before knowing the exact occupancy situation (Winer Webhotel).

Choosing a clear rate positioning strategy for the hotels rate policy will help strengthen hotels value perception to consumers. There are several strategies, such as penetration pricing strategy, equal pricing strategy, surrounding pricing strategy, etc. BAR (Best Available Rate) rates is a part of rate management useful in hotel sales strategies which by day allows the user to set up a selection of rates, mark them as BAR and during the availability search process, the system automatically checks all BAR rates by room type and display only the lowest available rate for a room type, for the arrival date. Best-available-rate (BAR) pricing is a guarantee that the guest is quoted the lowest available rate for each night of a multiple-night stay. One of the biggest challenges today is setting up competitive rates sold on the third-party websites / distribution channels as booking.com, hrs.com, expedia.com, etc. Why? Because any change in rate category which is mainly affected by the rooms availability and season, the hotel / hotel chain must send to all third-party websites/ distribution channels at the same time or it would not violate “rate parity” partnership that each of these sites request, while rates can change several times a day. Rate parity exists when the same rate structure for a hotel exists across all its distribution channels. This means that everyone must have the lowest rates at the same time. Hoteliers should pay attention to the implementation of BAR policy strategies on own website and on rate loading to all OTA partners with whom they have contract with so they don’t jeopardize business agreed by yearly contracts. The ultimate goal for any hotel business is to increase revenue while minimizing costs associated with operating that business.

In order to choose and maintain the right sales strategy hoteliers should always ask their selves these important questions: “Are guests finding lower rates and ways to book rooms?” Hotels need to constantly monitor rates offered on home web and OTAs not to lose revenue with bad revenue management. Another important question is: “Are clients going to pay non-discounted rates when demand levels return to normal?” This is a huge dilemma for hoteliers when deciding on going to cut the rates if hotel has low occupancy. The answer to this question is that in case hotel is not dependent on seasons, markets, etc. rate cutting will not only higher the occupancy but would also attract new shoppers for next time when rate levels return to normal.

2. TRENDS AND ROLE OF DISTRIBUTION CHANNELS IN WORLD’S HOSPITALITY INDUSTRY

A study conducted by the HawkPartners LLC provides vital data concerning the trends in world’s online travel and tourism market. The study was based on survey data from over 1.200 business and leisure travelers, which provides insight into how hotel marketing executives can most effectively reach specific customer segments. The proliferation of marketing channels presents both new opportunities and challenges for hotel marketing executives. Hotel marketers need to better understand how different marketing channels engage and deepen relationships with customers, and which channels drive revenue most effectively.
Among those in any hotel loyalty program, hotel websites are the sources most relied on for researching and evaluating hotels, followed by loyalty program websites. Among those not in any loyalty program, online travel websites (Expedia, Hotels.com, Travelocity, Orbitz, etc.) are relied on most. Online review sites (TripAdvisor, etc.) are also key to the evaluation and selection process. Word-of-mouth/personal recommendations also strongly influence selection. Promotions and incentives are clear drivers of selection, but also drive brand recall and intent to recommend, far more than above-the-line brand advertising. The single most important driver of a future booking is a positive prior experience—making guest service a key investment. Loyalty programs are also cited as one of the most important reasons to book a particular hotel, especially for business travelers and luxury hotels.

The research of Thinktravel produced also interesting results. The study was conducted on a sample of 5000 U.S. consumer identified as a personal or business travelers. Fully 85% of tourists use the Internet as a primary source of information in travel planning. It is important to note that word-of-mouth from the milieu is ranked second, confirming that customer satisfaction is a very important matter and a precondition to successful performance. When using the Internet, no less than 64% of tourists use search engines (google.com, yahoo.com) as their main source of information, while hotel websites and online travel agents (OTAs) hold second and third place, respectively (Traveler's Road to Decision 2011).

Online Travel Agents (OTAs), that is, intermediaries in online distribution channels began to develop rapidly in the early 2000s. Initially hoteliers considered OTAs as being wholesalers and negotiated with them lower group-prices, thus jeopardizing the other distribution channels of the same hotel. Once the Internet emerged as a major online marketing and distribution channel, hoteliers began to understand that being overly dependent upon indirect online channels (OTAs) could lead to brand erosion and loss of customer loyalty. All key hotel brands and many independent hotel companies took measures to constrain the influence of OTAs, while seeking to entice customers to book through direct online channels. Some of these measures are Best Rate Guarantees, rate parity across all distribution channels, collective negotiation, setting up internal departments engaging in e-commerce, and online
advertising. As a result of these measures, the direct online channel in the hotel industry has developed considerably.

Driven by uncertainty and the economic crisis that emerged in 2008, many hotel companies chose to strengthen their connections with OTAs to make up for the business lost. In this was, they jeopardized their own direct online channels and ruined the efforts made over the years to achieve rate parity, best rate guarantees, etc. Due to the exceptionally aggressive market strategies of Expedia and OTAs, the strongest hotel brands lost more than 5% of the market share of bookings through their own Web pages in this period (Figure 3). Small hotel companies and independent hotels lost considerably more.

Figure 3: Internet Source Breakdown for Major Hotel Brands

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Sites</strong></td>
<td>75.9%</td>
<td>75.2%</td>
<td>70.9%</td>
<td>67.3%</td>
<td>65.4%</td>
</tr>
<tr>
<td><strong>OTAs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Retail Sites</td>
<td>5.7%</td>
<td>5.4%</td>
<td>3.7%</td>
<td>4.0%</td>
<td>3.7%</td>
</tr>
<tr>
<td>• Merchant Sites</td>
<td>10.4%</td>
<td>10.7%</td>
<td>14.2%</td>
<td>16.5%</td>
<td>19.5%</td>
</tr>
<tr>
<td>• Opaque Sites</td>
<td>8.0%</td>
<td>8.7%</td>
<td>11.1%</td>
<td>12.2%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

Note: Brand Website – Website where distribution is operated and managed by the brand (e.g. http://www.marriott.com). Retail Website – Third-party distributor where the hotel lists inventory at the same price that it is sold to the consumer and hotel pays distributor agreed upon commission (e.g. HRS, Booking, Venere in Europe). Merchant Websites – Third-party distributor where the hotel provides inventory to the site at a net rate. The merchant marks up the rate by an agreed upon percentage. The consumer pays the merchant at the gross rate and the merchant site pays the hotel the net rate (e.g. Expedia/Hotels.com, Travelocity and Orbitz). Opaque Website – Third-party distributor that enables customers to choose a fare or rate without knowing the brand of the supplier until after the item is purchased (e.g. Priceline).


With over half of bookings done online, major hotel brands need to innovate digitally to sustain leadership. OTAs were estimated to cost hotels $2.5 bilion in 2010, capturing $40-120 per booking, vs. the $2-6 costs to hotels when booking is done at their own sites (Digital Marketing Innovation in Hospitality 2012).

Roomkey.com is a direct booking hotel search engine and the latest initiative of global hotel chains in response to the increasingly stronger role of electronic distributors. Roomkey.com was founded by large hotel companies (Choice Hotels International, Hilton Worldwide, Hyatt Hotels Corporation, InterContinental Hotels Group, Marriott International, Wyndham Hotel i Best Western International) with the aim of cutting down distribution costs and as a counter to Google. On this Website, travellers can search for, book and compare hotel room prices of leading hotel brands. Currently, 23,000 hotel rooms are available at Roomkey.com, and by late 2012, this number is expected to go up to 80,000. Roomkey.com will enable hoteliers to reduce the number of rooms sold through OTAs and Google, while cutting down distribution costs (http://www.roomkey.com).
Results of the previous research speak well for the importance of using cutting-edge technologies in creating Websites on the Internet. These Websites need to be search engine optimized. Optimization consists of a series of strategies aimed at increasing the number of visits to a Website by improving the Website’s ranking on keyword-based search results. The higher the position of a given Website on search engines, the greater the number of organic (unpaid) visits and potential conversions into customers or clients. The use of tools such as Adwords is recommended. Adwords is Google's main advertising product and main source of revenue and it is used to make a Webpage more visible in a vast sea of information.

3. **ONLINE DISTRIBUTION CHANNELS MODERN TRENDS WITH EMPHASIS ON WEB BOOKING IN CROATIA**

The above trends need to be viewed through the focus of the Croatian tourism market. Tourism in Croatia is a major branch of the country’s economy, accounting for approximately 14% of the GDP and generating annual revenue amounting to EUR 6.600 million (Ministry of Tourism, 2012). It could be said that the global economic crisis did not affect Croatian tourism. For example, the year 2011 saw 11.5 million tourist arrivals, an 8% increase relative to the previous year, and a total of 60.4 million overnight stays or 7% more than in 2010. Foreign tourists accounted for 87% of overall tourism traffic; there were 9.9 million foreign tourist arrivals (+9%) and 54.8 overnight stays (a 7.4% increase relative to 2010). For the first time since 2008, domestic tourists recorded an increase in tourism traffic and overnight stays of about 3% (Croatian Bureau of Statistics, 2012).

Tourism market growth indicators should be examined in correlation with the number of Internet users in Croatia. According to Internet World Stats, there were 2,656,089 Internet users in Croatia on 30 June 2012, accounting for 59.2% of the country’s total population. In 2000, this share was only 4.6%, but by 2010 it was already 50%. Clearly, Internet penetration in Croatia is the highest in the Balkans region and is more in line with those found in the Eastern European EU countries.

Today, information and communication technologies are present in about 70% of all Croatian households, with more than two thirds of Croatia’s citizens over the age of 15 using the Internet. They largely use the Internet to learn about daily events but also to search for information about products and services. Using e-mail and social networks is ranked fourth on the list of purposes for using the Internet, while 13% of all users use the Internet to search for tourist information (GfK Croatia, 2012). These facts confirm that Croats are familiar with all the opportunities the Internet provides and are an active part of the online market.

“CroatiaMeetings”, a specialized Croatian Internet portal for conference and business tourism, has conducted a survey concerning the role of the Internet in selling and marketing tourism services (CroatiaMeetings, 2011). Ninety-nine hotels from all parts of Croatia took part in the survey. All 99 hotels have their own Websites; 93% of the hotels provide for online booking on the Website, while 79% provide for online payment of online booking. That domestic hotels use, and place great stock on, Internet sales channels is confirmed by the fact that 93% of hotels offer their services on specialized Websites for online booking, such as Booking.com, Expedia.com or Lastminute.com.
In most hotels, online sales currently account for less than 25% of total service sales; 15% of hotels generate 25% - 50% of their total sales through online sales, while only 17% of hotels generate more than half of their sales via the Internet (Figure 4). Hoteliers expect the situation to change considerably in favour of the Internet, and almost 50% believe that online channels will then generate more than half of their total sales.

Such results are paralleled with trends in Internet marketing investment. Although almost 70% of respondents see Internet advertising as being more cost-effective than traditional advertising, at present close to 45% of hotels are investing less than a quarter of their marketing resources into Internet advertising. The most popular online advertising formats among hoteliers are search engines (65%), banners (60%), foreign specialized Websites (55%) and popular social media, such as Facebook (51%).

Authors research was based on one of the biggest hotel chain on Croatia's coast region and is described in the following chapter.

Liburnia Riviera Hotels is the leading hotel chain from Opatija, a town on the Croatian northern coast with more than 167 years of tradition in hotel and hospitality industry. The Riviera of Opatija is a unique and exquisite sea and mountains Riviera, considered a cradle of Croatian tourism and a seaside resort loved from the mid-19th century when the European elite discovered its shores for relaxing and health tourism. Opatija is very easy to reach; this Mediterranean oasis is now closer to Central Europe than ever before, thanks to its network of new roads.

Liburnia Riviera Hotels manage 15 hotels located on the Opatija Riviera including historic hotels, premium, business and family hotels; together with six villas, they operate with about 2000 rooms. They are renowned for their long tradition in hospitality with high-quality services and an array of new products and services that cater to the needs of modern travellers. They offer a variety of hotels – 2* to 5* hotels situated on the Riviera of Opatija (Opatija, Lovran and Moscenicka Draga) as well as a camping facility in Medveja.
Figure 5 shows structure of bookings in the biggest hotel chain in Opatija, Croatia. Stunning results of the research showed that total of 70% of all bookings came through online channels out of which 50% of all guests came through OTAs. This figures show that a small town like Opatija, a small country like Croatia has no chance of winning any market share if not being published on OTAs. By these numbers one can assume that this 30% of bookings made through company’s call centre are loyal guests and their friends booking Opatija and the same hotel from time to time. The other 70% represent unexplored markets for the company, however, due to OTAs, guests saw, chose and booked Liburnia hotels. There is also another side to this, and that is that all rates on OTAs are commissionable, which means that 50% of bookings through OTAs achieved approximately 15% lower profit. Considering that this bookings would never come to this company without OTAs those are remarkable results. If we take, for an example, some famous hotel in New York, hotel manager would have a totally different view and point of sale strategy than a hotel in Opatija. Guests booking famous hotels always go directly to hotel’s website and book directly and this hotel ‘numbers would be completely opposite than from a hotel in Opatija.

Figure 5: Liburnia Riviera Hotels booking frequency by channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Booked rooms (structure in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTAs (online travel agencies):</td>
<td></td>
</tr>
<tr>
<td>booking.com, venere, hrs hotel.de, etc.</td>
<td>50 %</td>
</tr>
<tr>
<td>Call Centre LRH</td>
<td>30 %</td>
</tr>
<tr>
<td>LRH Web Site</td>
<td>20 %</td>
</tr>
<tr>
<td>Total</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Source: Author's research

Figure 6 shows a way of yielding rates for hotel’s own web and OTAs. First column represents the name of the month, next one shows rate levels by days of the week, occupancy levels by day, rates currently published on web and OTAs and finally rates that have to be updated due to occupancy changing levels. Rates are net, non-commissionable, half board based per person per day. Analyzing this figures shows that this hotel’s monthly occupancy rate is 88% per month of August. On 1st of August occupancy is 95%, published rate level index is 120 and the rate is 120 Euro per person per night in a double room. The hotel has very nice numbers until 22nd of August where occupancy levels decreases to 81% where rate goes down to 79 Euros per person per night in a double room.

When setting a sales strategy, revenue managers have to know when to react and how. If occupancy is between 0% and 50% the best decision is to drive volume and cut rates. After crossing the line of 50% occupancy, a good sales strategy is to play with packages and special corporate discounts or for leisure guests 3+1 strategy or similar. When occupancy climbs to 80%, than the whole strategy is rate driven where highest rates are published to maximize profit. Also, with all above mentioned most important three things to take into consideration when yielding are: 1) Who is my customer, and what are his/her needs?, 2) What are my hotels financial needs? and 3) What are my market’s dynamics? A good sales strategy is only the important decision to win customers to your hotel.
Figure 6: Yield for the period of 3 months in advance

CONCLUSION

New trends in web booking are changing the online market and travel. New technologies make it possible for visitors to Websites to compare prices in various destinations according to a variety of criteria. It is possible to combine offerings; sophisticated Web systems recommend which action to take and they suggest the best choices; hotel guests can rate hotel services and facilities and advise other travellers about spending holidays in a specific facility. The hotel industry is getting more competitive and complex each day. Optimizing hotel revenue management strategies has become a technical task. Choosing a clear price positioning strategy for the hotels rate policy will help strengthen hotels value perception to consumers.

The only viable option for the hotel industry in the future is to weaken its dependence upon the OTA channel by developing direct online distribution channels which will ensure hoteliers with a long-term competitive advantage on the market. The direct online channel should always be at the heart of the Internet marketing and distribution strategies of any hotel company. Guests booking through hotel Web pages are more loyal, generate more revenue and are in the habit of travelling more often. This is the way it is supposed to work, but with OTA's investment in marketing campaigns hotels are forced to spread their rates and inventory to Third Party websites to drive volume to their hotel.

Today, a modern hotel which is not participating with OTAs (Online Travel Agencies) does not even exist on the market and unless being part of some huge brand investing in both, direct marketing and distribution will never stay alive. Hotels who don’t participate they lose their market share from those rapidly growing distribution channels.

Although the Websites of most hotels in Croatia today have a reservation system, and although there has been an expansion of online booking portals in the recent years, any substantial increase in the volume of online sales is yet to come. The future will see more and
more individual online bookings, because the younger generations are sharply focused on new technologies including growing use of android phones in mobile technology. Hence, hoteliers should seek to invest in more sophisticated communication with the new generation of users through media that allow rapid, interactive messaging and enable marketing relationships to be created.

Nevertheless, a huge job remains to every hotel to stay present and competitive on the market because the web booking increases rapidly and is more and more present on the Croatian market every day. Still, it is difficult to adjust to today's world standards, because of outdated technology, which is due to the current economic situation more difficult to finance.

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