



# Metrics that Matter

How to become an insights-driven hospitality company.

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# Introduction

**Hospitality is rich with data. From targeted marketing to pricing analysis, from booking source to guest engagement, every hotelier knows that metrics are important – but how do you sort the interesting from the invaluable?**



A number on its own doesn't tell you much. You need context in order to build a clear, actionable picture. Identifying the right data sets for your business gives you remarkable power, helping to shape operational, financial and marketing decisions. That is the goal of this report.

We know that the sheer quantity of data available can be daunting, particularly when it derives from a variety of disparate sources. But modern hospitality technology is making it simpler to connect the dots. Thanks to the cloud, data can be more easily accessed than ever, often instantaneously. Levels of security are high, and with the right tools you can automate the collection and analysis of the metrics you need to make the right decisions quickly.

So, what does an ideal marriage of hospitality and metrics look like? In short, you'll be able to streamline and enhance three key areas in your business: operations, revenue and marketing. That means embracing tech that expedites daily tasks and the guest journey. It means squeezing every drop of revenue from your property. And ultimately, it means diving into a wealth of data to provide a more seamless, personal guest experience.

At present, we're only scratching the surface of what data can do. There's a huge opportunity for our industry to get this right, and those who embrace the metrics that matter will be the ones who succeed.

# Hospitality data in the 2020s

With great data comes great responsibility. Individuals and businesses are increasingly aware and protective of their data privacy rights. It should go without saying that any information your business uses is collected legally and stored securely. Make sure that any company you work with – from property management systems to specialist integrations – complies with local regulations and takes data security seriously.

The same goes for your own property: if you're keeping physical records on-premises, you're at much greater risk of a data breach. A cloud hospitality system, on the other hand,

is not only more secure but makes it much easier to access and analyze your information. For anyone serious about data-driven progress, it's a basic requirement.

Finally, be aware that this is a unique time for hoteliers. Guest expectations were already changing rapidly, and Covid-19 has only served to accelerate this. More and more, technology is at the heart of the guest experience. Older demographics are, through necessity, becoming more tech-enabled, with Zoom calls and contact-free experiences in all areas of life, from shopping to banking. And where there's technology, there's data. Let's embrace it.

||

If you're keeping physical records on-premises, you're at much greater risk of a data breach.



# Who's this report for?

Anyone who's eager to understand how hotels, technology and data can combine to provide your guests with unrivalled experiences will find plenty to consider in these pages. You don't even have to be hugely tech-savvy – you just have to be open minded and willing to welcome new ways of thinking.

Whether you're an Owner, General Manager, or run any of the operations, revenue, marketing and front of house teams, we'll help you unlock what's required when it comes to making your hotel as efficient and agile as possible.

# The three pillars of hospitality data



Operations



Revenue



Marketing

When you distill hospitality down to its purest essence, everything we do is to achieve one goal: to provide remarkable experiences for guests. It's the very meaning of the word hospitality, the practice of being hospitable.

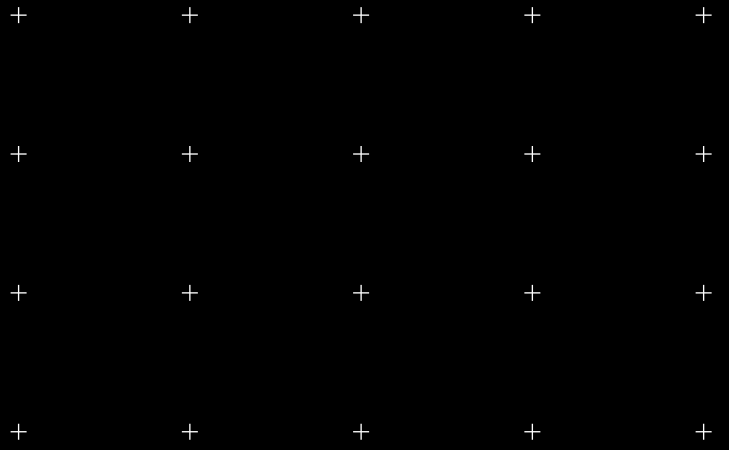
Every time you use data to improve efficiency, rethink processes, or make informed decisions, you're ultimately improving the guest experience, whether directly or indirectly. But where do you begin? We've divided

the swirling mass of information into three pillars of hospitality data:

- Operations
- Revenue
- Marketing

Although each pillar has a different focus, they're all interconnected. Improving one area is likely to boost other areas too. And if you use the right metrics as a guide, you're certain to positively impact your guests as well as your business.

# Operations

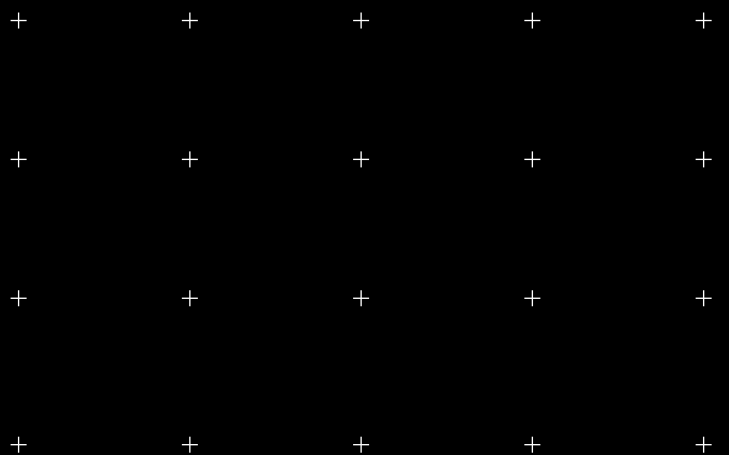


## Chapter 01

Operations is a broad field. It covers anything from check-in to housekeeping, reservation management to staff turnover, and whether you're measuring turnaround times or online check-outs, every metric boils down to the same thing: efficiency.

For every operational dataset you analyze, you should be asking yourself: does this mean our property is operating efficiently or inefficiently? Whatever the answer is, this next question should swiftly follow: how can we be even more efficient?

Of course, every property will have different priorities, but we've picked out some key metrics that every hotelier should be tracking.



# Time spent on reporting

How long do you or your team spend every day just trying to find the data you need? Leave aside the quality of the data itself, which is much more prone to error if collected manually from disparate sources, and think about the time it takes to compile reservations data, occupancy reports, bills and invoices, accounting...

In one sense, if you're spending a lot of time every day on reporting, it's a good sign. It means you're actively using data. However, the likelihood is you're spending too long compiling all this data, and it eats into almost every other efficiency across your operations, simply because it gives you less time to focus on other tasks.

The good news is you can drastically reduce the time you spend on reporting but get the same – or better – results. How? Automation. Clean, automated reports will not only help you make informed decisions more quickly, they'll also improve staff productivity and happiness.

And it doesn't stop at reporting. Any task within your hospitality solution that requires significant manual input should be measured in terms of time, from small tasks like receiving a booking over the phone, to big procedures like the outdated night audit. There is plethora of smart, affordable hospitality tech out there that will automate all manner of processes and boost your efficiency.



 6-property hotel chain

## 03 hours

Saved per day through automation, at every hotel



 7-property hotel chain

## 10 hours

Saved per day through automation, at every hotel



 6-property hostel chain

## 06 hours


Saved per week for every staff member through automation



## Hotel Spotlight:

# C-Hotels

C-Hotels Group has several properties along the Belgian coast, each with a unique concept and visual identity. The hotel group has been using Mews' technology since 2016, with five properties going live within three days.

 **235,000**  
Guests per year

 **9**  
Properties

 **3**  
Brands



## ||

We had much fewer calls from housekeeping to the front desk and vice versa, because now they can see on their tablets which rooms are ready.

**Inge Decuyper**  
Owner,  
C-Hotels

### Pain:

C-Hotels wanted easy, immediate access to their own data. Before Mews, the hotel group were charged on a case-by-case basis whenever they requested their data, and there was minimal reporting that often had to be done manually.

### Solution:

Mews has a wide selection of easy-to-use reports and free, immediate access to all hotel data, including reservations, availability, room status, and customer information. C-Hotels also use the Mews Analytics integration for even more powerful data reporting and analysis.

### Result:

# Easy

access from property dashboard

# 20+

dynamic reports in Mews

# Zero

data access fees

# Check-in and check-out time

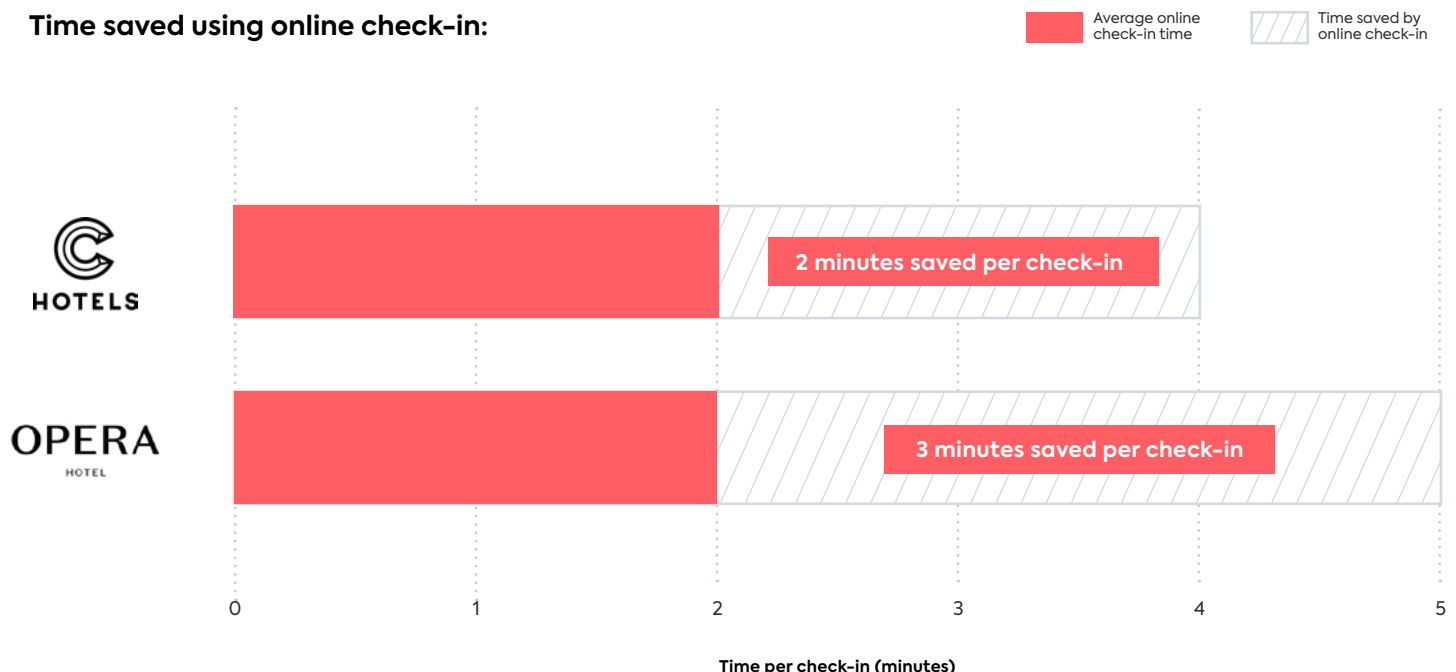
You don't get a second chance to make a first impression. Or a final impression, for that matter. The two things of most importance are how welcoming you are, and how fast it takes. Knowing your average check-in and check-out time will tell you how efficient your staff and your property management system is.

Ask your front desk team how long it takes to check-in a guest. Then observe for yourself. The impression of someone behind the desk, whose mind is occupied with the task at hand, can be different to the reality – so make sure you get an accurate measure. Anything more than five minutes and there is definite room for improvement. Another easy visual indication of inefficiency or unnecessary procedures is the physical state of your front desk. If there are stacks of envelopes

and big staplers taking up room on the counter, it's a tell-tale sign that you need to digitalize. With a modern hospitality system, there's no need for staff to be printing and manually stapling receipts together – not only is it messy but it will slow down check-in or check-out.

This also creates a headache for your accounting department, who have to manually consolidate printed receipts in the back-office. Instead, your hospitality cloud should automatically email receipts to customers and be digital-first with all transactions. Time savings aren't the only benefit from digitalization. Numerous studies, including one by the Princeton University Neuroscience Institute, found that clear, uncluttered workspaces boost employee productivity.

## Time saved using online check-in:



With a modern hospitality system, there's no need for staff to be printing and manually stapling receipts together.

There are dozens of ways to reduce your check-in and check-out times, from diversifying your guests' options to embracing automation. Online check-ins or kiosk self-check-ins are good ways to reduce reception queues, while passport scanning and automatic payment processing not only cut waiting but also give your front desk team the chance to engage in more personable conversation with guests.

Of course, check-in and check-out times will vary depending on the time of day. When queues are at their longest, frustrations are at their highest. Here, agility is key. Mews has a simple tablet app that allows any untrained employee to start checking in guests within seconds. This means that at the busiest times of the day, you can quickly scale up your reception team if required, cutting guest wait time.

How do you encourage guests to use options like online check-in? Awareness and customization are your two most powerful tools. Don't just assume your guest will take action on their own, especially if it's the first time with this feature. Tweak your emails or other comms to highlight the benefits of checking in online and make it crystal clear what the process is. If you're really struggling with adoption, you could even incentivize it by offering a free drink or an earlier check-in time.



# Housekeeping turnaround time

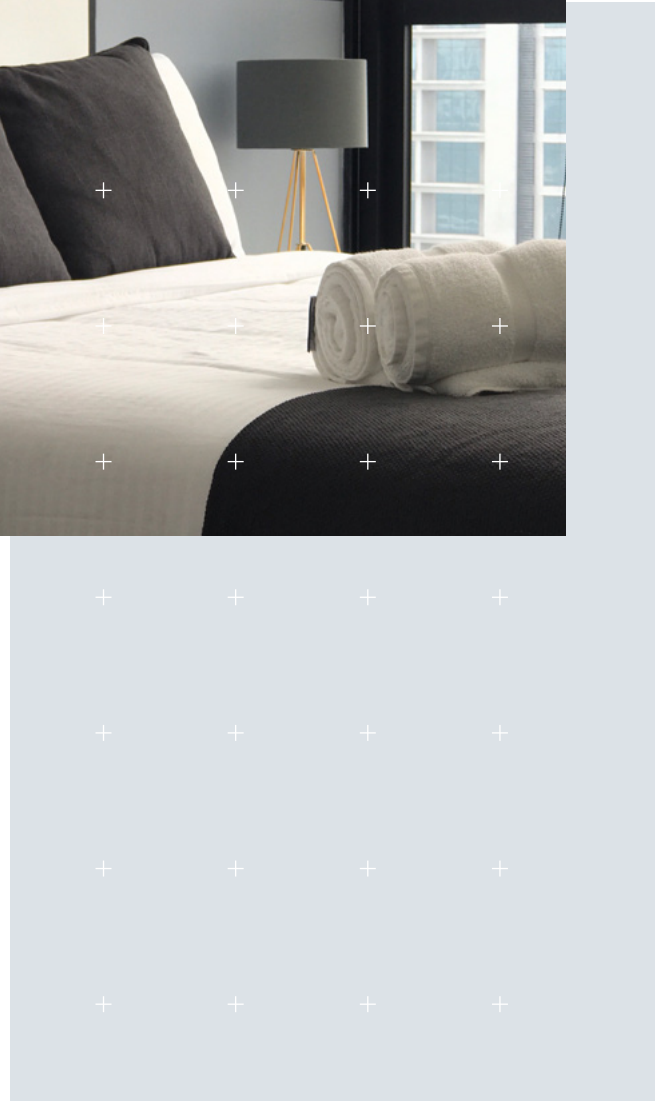
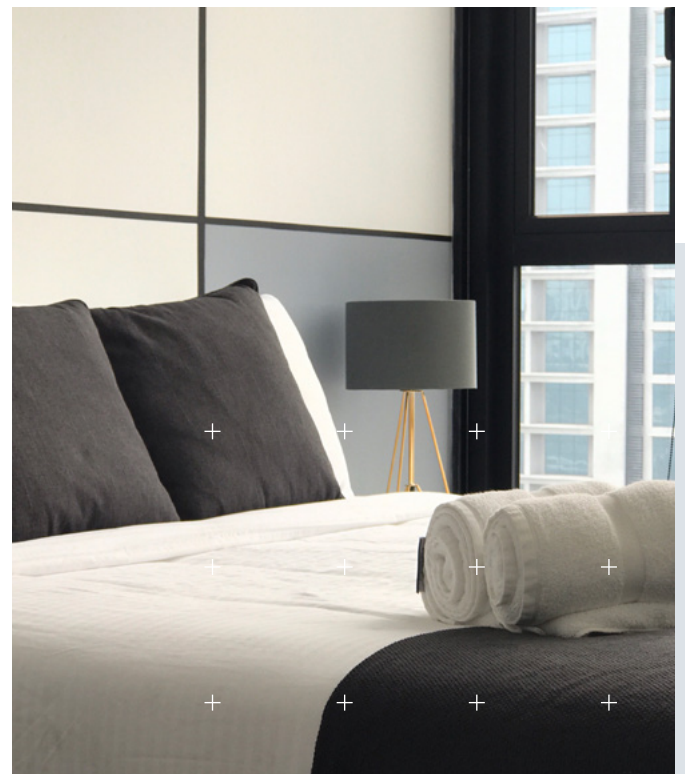
Housekeeping is an excellent example of how improving efficiency in one area can also have knock on effects for the other pillars. Most properties operate with a rigid setup, with everything running at set times. Check-out is at 10am, check-in begins at 2pm, and housekeeping will have around six hours to clean, typically starting at 8am to begin with any rooms that checked out early.

In this setup, the mistake is to look at how many rooms your team turns over in that six-hour window – the answer is probably all of them, because you've allowed them an amount of time that you know is safe. What you need to know is the time it takes from when a guest checks out of a room to when it's been cleaned.

If all of your rooms are cleaned in half of that time, could you push check-out back by an hour and likely see an increase in guest happiness? Do you need such a big housekeeping team or could the staff be better used elsewhere?

Let's say each room takes forty minutes to turnover – that means some rooms are going to be ready from as early as 8:40am onwards. That's more than five hours where the space is unoccupied. Armed with this information, you can make decisions that affect revenue, such as for how many rooms you can sell early check-in or late check-out.

For this, it's also important to understand when your rooms are cleaned and returned to your inventory.



II  
Our housekeeping team use tablets with the Mews housekeeping app installed on them. This lets them directly change the status of a room, or instantly notify us if there are any maintenance needs.

**Valentin Babillot**

Head of Digital & Distribution,  
JO&JOE

A smart report, like the Activity Report in Mews, shows you exactly what time your rooms are available again. If you see a lot of activity between 3–4pm, it means that your housekeeping team isn't updating room status in real time. This is a problem as it means you don't know when rooms are ready, and you can't offer early check-ins.

It does wonders for the guest experience if a guest arrives early and, rather than having to store their bags and come back in a few hours, they're able to check-in right away. This is only possible if you have a real-time view on room status, and tools like the Mews housekeeping app are designed to make your property more efficient.

Of course, you can't expect to just put a phone in a housekeeper's hands and expect them to change overnight. Mobile tech adoption takes training to ensure that your team is comfortable using the app. Also, it's common that housekeepers aren't fluent in the local language, so ensure any app or tool you use is available in different languages – the Mews app has several.

## The 'Time' Checklist

Here are just some of the areas in your hotel operation that you can optimize and automate. How many of these are you currently performing?

Online check-in and self-check-in <input checked="" type="checkbox"/>	Passport scanning at front of house <input checked="" type="checkbox"/>	Connections to OTAs <input checked="" type="checkbox"/>
Eliminate the night audit <input checked="" type="checkbox"/>	Reporting dashboards via the cloud <input checked="" type="checkbox"/>	Smart payment processing <input checked="" type="checkbox"/>
Face ID for staff <input checked="" type="checkbox"/>	Housekeeping management <input checked="" type="checkbox"/>	Maintenance and task management <input checked="" type="checkbox"/>

# Headcount costs

We've already seen how looking at housekeeping turnaround time can shed light on staff costs and distribution. The same principle can be applied to other departments, such as front desk and maintenance.

Don't assume that every day is the same. Look at occupancy trends to see if certain days of the week tend to be busier, and whether you need more or fewer staff at times. As another gauge of busyness, you can also examine action log reports that show you the in-platform actions that your staff make.

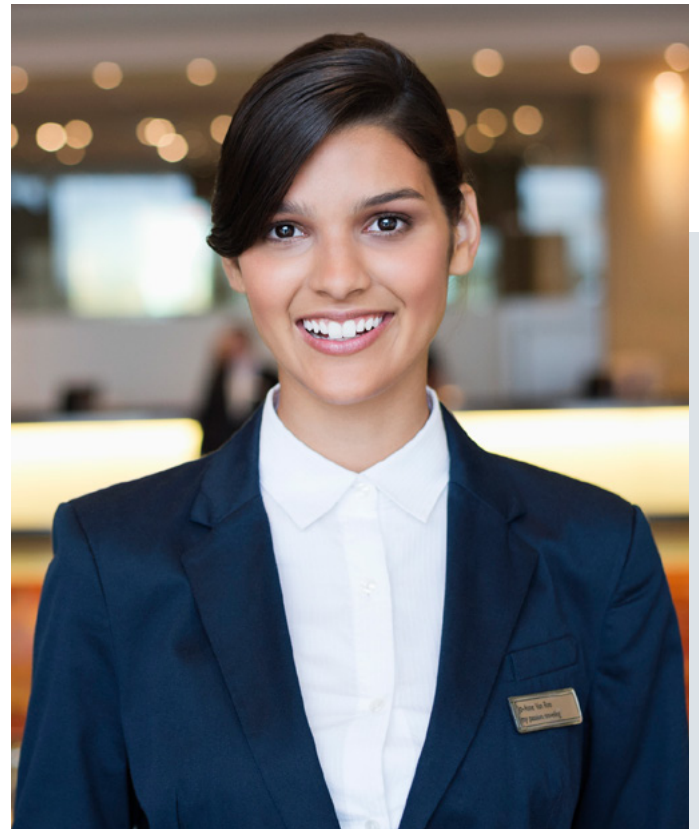
Automation across your property lets you streamline your staff. A traditional hotel has a concierge desk, a reception desk, and bell boys. With a mobile solution, you get the freedom to combine the tasks of these three people into one role, meaning the guest is no longer passed from person to person, having the same conversation again and again.

It may not be something you want to do, and it certainly isn't the primary aim of automation, but if your business needs to make savings you can use data to guide you to areas of operational bloat. It also gives you the power to redistribute and retain staff, so you can move people from admin-based roles to more high value positions such as a front of house team that is focused solely on welcoming guests with personalized offerings based on their preferences.

You can get even more granular and use your hospitality system to assess how important experience is in running an efficient operation. For example, find two users on the platform: a receptionist who's been at your property for six months, and one new starter.

Now compare the average amount of daily tasks completed by each. You'll probably find that the experienced receptionist gets through more tasks more quickly, highlighting the importance of longevity and staff retention.

On the other hand, if you find that the quality and quantity of work doesn't really vary according to length of employment, that's good news as it probably means you've chosen an effective, intuitive property management system.





Mews helps us in pursuing our vision of hospitality because we want our front desk staff to make real connections with the guests and start having proper conversations with them.

**Mark Struik**

Commercial Director,  
Postillion Hotels

# Key takeaway

An efficient property is a successful property, in terms of revenue and processes as well as staff and guest happiness. Your data will tell you how well you're performing operationally, but it's automation that will play the biggest role in making tangible improvements.

There's loads of hospitality tech out there that's been developed to enhance every specific area of operations. For reporting, for example, there's Mews Analytics. For turnaround times there's the Mews housekeeping app. It's not all property-facing, either. Guests have more and more tools that put them in control of their stay, including solutions like Mews Guest Services which facilitates online check-in and check-out. This is all good news.

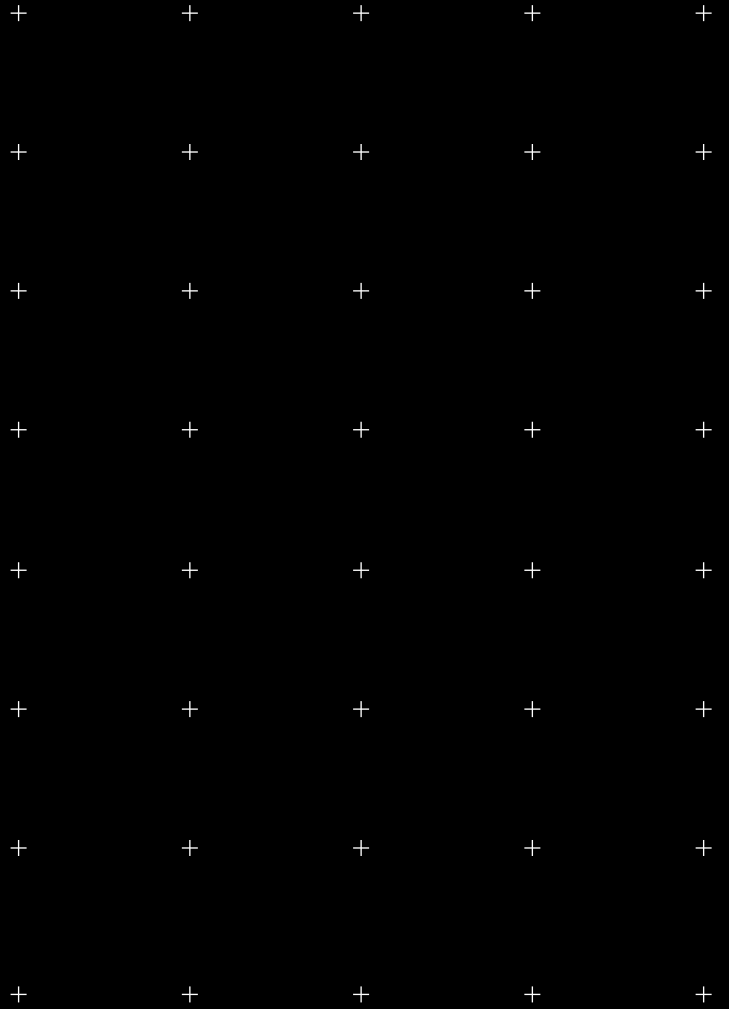


## **Additional metrics to consider:**

- Percentage of payments automatically processed
- Time taken to make a booking
- Number of maintenance tasks logged – and how quickly they are resolved
- Staff happiness
- Time spent on group bookings vs individual bookings
- Number of calls between departments (e.g. housekeeping to reception)
- Check-in channel distribution
- Speed of responses to messages



# Revenue



## Chapter 02

We often talk about providing remarkable experiences as being the ultimate goal for hoteliers, but in reality, this can't be sustained without making money. If your business isn't generating enough revenue, your service will suffer, so it's vital to measure the right financial metrics.

This may sound like stating the obvious. Certainly, it's hard to imagine any hotel that doesn't look at their turnover and bottom line. But what are the most important numbers to look at, and what can they tell you about the wider health of your property?

To unlock revenue growth, it's key to keep an open mind. Many of the metrics that we use today made sense decades ago. But technology provides us with more exciting possibilities, opening up some of the narrow corridors of thought and analysis that hospitality had previously been stuck within. Here's what you should be tracking.

# Moving away from RevPAR

Revenue per available room, or RevPAR, has been an industry standard for a long time. Divide the total room revenue from your property by the number of available rooms on that same day, and you get an instant combination of occupancy and room rate, translated into a revenue snapshot. Because most hoteliers use it, it's a convenient datapoint for comparing performance against competitors.

The problem is that RevPAR is a one-dimensional metric. It gives you data from only one specific income source and is based on an occupancy rate that's also deceptive (more on that shortly). It's a symptom of modern hospitality that's obsessed with heads in beds, often at the expense of guest experience. Instead, shift the focus of your revenue reporting to include ancillary sales, providing a more rounded view of income.

You have a couple of options in terms of metrics. TRevPAR (total revenue per available room) uses the same calculation as RevPAR, except you use the property's total daily revenue instead of only room revenue. RevPAG (revenue per available guest) also considers total property revenue, but divides this by number of guests rather than rooms.

Boosting RevPAG by

# 5%

is easier and longer lasting  
than boosting RevPAR  
by the same amount.

Unlike RevPAR, these metrics aren't limited to room bookings. They're more holistic, including all the other revenue streams and touchpoints from a guest's stay. Upselling, food and beverage, spas, parking... including these additional services not only gives you a broader, more accurate picture of revenue, it's also more guest centric.

One of the real benefits is that this will encourage improvements across all areas of your property. If you set a target of boosting RevPAR by 5%, there are essentially two things you can do: increase your room rate or increase your occupancy. That's a job for your revenue team and your marketing team – your other departments go about their business as normal.

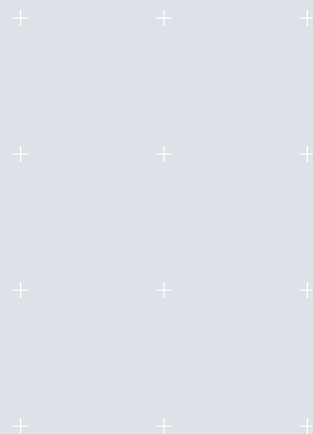
Set a target to boost RevPAG by 5%, however, and you have many more options. As well as room rates and occupancy, you can focus on upselling, on improving customer service. Front of house and other guest-facing staff also have a part to play, as do your operations team. Improvements are likely to be more cohesive and longer lasting if they take place across your whole property, and by putting guests at the heart of a key metric, you'll ensure that any improvements will always be to their benefit.



It's really important to change the mindset, to let the old systems go, because in the long run you will gain more than you will lose.

**Carol Domacassé**

Reservations Manager,  
The Dylan Amsterdam



# True occupancy

The way that hospitality calculates occupancy is wrong. Let's take a simple example. A one-bedroom hotel sells a one-night stay, so the hotel reports a 100% occupancy. But that's not an accurate representation of when the room is being used. If the guest arrives at 6pm and checks out the next morning at 6am, that's 12 hours when the room is empty. That's only 50% true occupancy.

At first, it may feel unrealistic to think about occupancy in this way. But time isn't portioned off into daily blocks. It's constant and fluid, and the hoteliers that realize this will be the ones to really transform their operations and maximize revenue.

Naturally, this is easier said than done. But the first step, as with many of the metrics in this report, is a mindset shift. Become open to the possibility that there are

different ways of approaching areas like occupancy, and you sow the seeds for transformational change.

As hospitality systems become more flexible and intelligent, new opportunities for time management will arise. The evolution is already underway, with a number of advanced tools already built or being developed. The purpose? To help redefine what you can offer guests by allowing hoteliers to manage different time units, transforming physical spaces into new products, offers and experiences.

For example, that hotel room doesn't have to sit dormant for 50% of the day. During working hours, it could become a temporary office space or meeting room, ensuring you maximize revenue from your spaces. Think about occupancy in this way and it will encourage you to drive more revenue.

||  
Mews made me question everything about daily procedures. Is it really necessary to have those reports? Is it really necessary to have a night audit? You don't need all of these old processes to run a property.

**Daniel Hrkać**  
Head of Operations,  
Koncept Hotels



# % of automated payments

Once you know how much revenue your property is generating, the next thing you should ask yourself is how these payments are being processed. Specifically: what percentage of payments are automated?

Automated payments are the sign of a healthy property. Firstly, it means that your staff aren't spending valuable time inputting customer card data into a computer. Instead, they can focus on providing great service to the guest in front of them. It also benefits the guest, making it much easier to enjoy products or experiences without having to search through their pockets for cash or a card every time.

Here's what happens when you take a manual payment on a terminal: you enter the correct amount on the device. The customer checks it, finds their card, inserts it, enters their pin. Everyone waits and the customer isn't sure when to hand back the device. Eventually, the payment goes through and you wait for the printing of receipts, one of which you hand over, the other you place onto a growing pile of paper. In short, there's a lot going on. Let's conservatively

say the whole process takes around a minute. An automated payment can be done almost instantaneously, with just a couple of clicks in your hospitality system. Easy. For every 1,000 transactions, you're saving 16 hours of time for your staff and for your guests.

There are obvious financial benefits too. The easier something is to purchase, the more likely we are to do it. A 2016 Clearscore study found that 59% of UK consumers thought they spend more on cashless transactions, with 72% saying contactless cards have encouraged impulse purchases. Your property should only have to take a guest's card details once; from then on, your staff should be able to initiate one-click payments.

There's no reason why you can't be automating 100% of your payment transactions. The exception is cash payments, although these are becoming less common, particularly in the wake of Covid-19. Conversely, cashless payments are increasing every year, with a record 14.1% global volume growth in 2019. This is good news because as you already know, cash creates more work at the end of the shift, and increases the likelihood of mistakes and theft.

|| Payments is truly one of the strengths of Mews. I love having as few clicks as possible between the moment of interest and the moment of payment, and Mews Payments is really good at it: I enter three or four bits of data and the reservation is made.

**Kevin Machefert**  
Deputy CEO,  
Machefert Group

Adopting a fully integrated, automated payment system is not only good financial sense; it's also a boon for security. Protocols such as PCI DSS, PSD2, and 3-D Secure guarantee a high standard of safety, meaning lower fraud rates. As an example, Mews employ the above protocols and see a chargeback rate between 0.08-0.15%, compared to the industry average of 0.7%. Automation also means fewer errors as staff don't have to manually input long card numbers or customer names, yet another reason to pursue 100% payment automation.

Case in point: **Palmers Lodge**



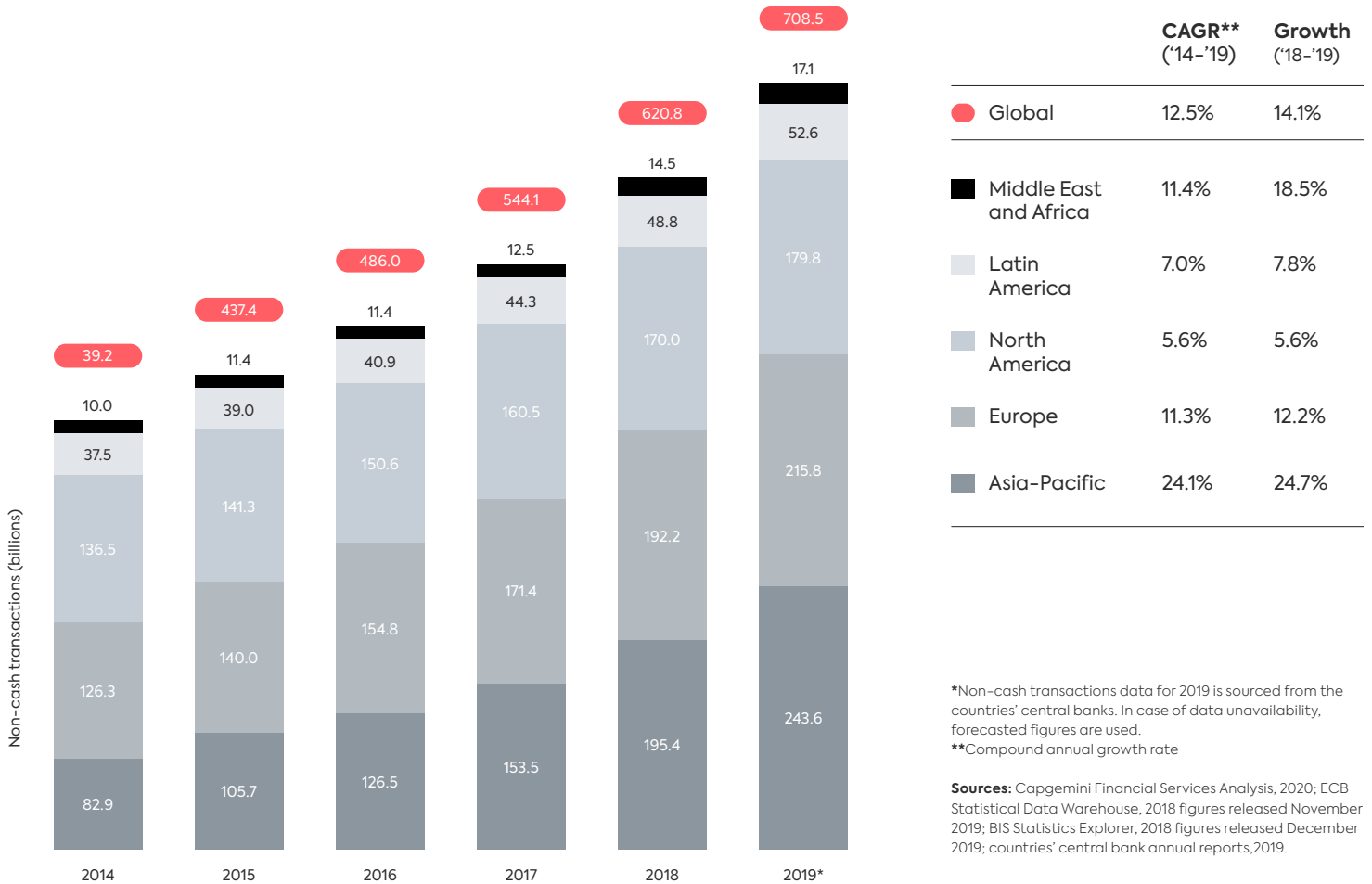
**£4K-£6K saved**

in lost revenue per month thanks to 100% automated payments

**90% fewer no shows**

thanks to 100% automated payments

## Non-cash transactions continue to grow steadily across the globe



**Hotel Spotlight:**

# Postillion

Postillion Hotels has three convention centers and host thousands of guests each week. The group requires a technology that has deep integrations and enables them to automate many of the manual tasks previously fulfilled by team members.

 **1959**  
year founded

 **7**  
locations

 **1 Million+**  
visitors per year



**||**

My biggest piece of advice is to look for a system that can adapt to fast technological change. From the beginning, Mews' vision gave me the confidence that it's agile enough to grow and adapt with this change.

**Mark Struik**  
Commercial Director,  
Postillion Hotels

**Pain:**

Credit card bookings had to be manually processed by front desk or night shift staff, which with 250+ arrivals per day in some hotels, was very time-consuming. The payments were typically processed 48 hours before arrival, meaning if there was a problem with the card, there was very little time to resell the room.

**Solution:**

Card payments are now automatically processed at the time of booking with Mews Payments. Any fraudulent bookings are now noticed immediately, meaning the rooms can be made available again to sell to real guests, improving occupancy. Moreover, if reservations are received via Booking.com and the guest's card fails, Mews automatically reports this to the OTA and asks them to contact the guest.

**Result:**

# Saved

the equivalent of one full-time staff member per day

# 75%

reduction in fraudulent bookings

# 100%

payment automation in two hotels (which are also fully cashless)

# Booking channel origin

What percentage of your bookings are made directly through your website? Invariably, the answer is: not enough. Direct bookings mean a better profit margin and better guest engagement: a 2020 Kalibri Labs study found direct bookings to be 12.5% more profitable than OTA bookings. By tracking and improving this datapoint you'll have a simple, attainable goal that will make a real difference to revenue.

For a long time, it felt like OTAs were winning the booking war, but hotels are fighting back. A D-EDGE study found steady direct booking growth in Europe and Asia-Pacific, with a 10% market share increase between 2017 and 2020. There's increasing customer consciousness that booking direct is better for properties, partly spurred on by the pandemic. The share of direct bookings in Asia jumped to 45% between June and September 2020, as countries opened up again, overtaking Booking.com for the first time in years.

Here's the bad news: the average conversion rate on travel and hospitality websites is around 2% (*SiteMinder*). Here's the good news: that leaves lots of room for improvement. If you focus on optimizing your website with a good booking engine and a strong sales proposition, there are huge wins waiting for you.

Upsells, add-ons and special offers are all important tools in the hotelier's direct booking toolkit – and there are a number of specialist integrations like Oaky and Revinate ready to help. As many as 15% of guests will purchase extras during booking, and offering exclusives are an excellent way to entice guests to convert. With OTAs taking commission of anywhere from 5-30%, incentivizing direct bookers with small freebies like a complimentary drink at the bar means you'll still improve your revenue as well as boosting guest happiness and loyalty.

Another good reason to focus on direct bookings is that these guests are more likely to use online check-in. One in three guests who book through the Mews Booking Engine go on to check in online, a much higher amount than the 14% average for OTAs and traditional channels. This is a powerful tool in cutting check-in times and making your operations more efficient.

”

The average conversion rate on travel and hospitality websites is around 2%.





## YOUR APARTMENT

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**85%** increase in direct bookings with Mews, meaning **70%** of all bookings are made from their website booking engine.

## THE °LD ST°CKS INN

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**8%** increase in website conversions with Mews Booking Engine, with **70%** of guests now using online check-in.





# Key takeaway

Measuring top level metrics like bottom line, revenue turnover, and RevPAR will only broadly tell you how healthy your finances are. They won't tell you how other departments in your property are performing, or what the areas are where there's room for improvement.

Don't be afraid to rethink the data you're tracking. Embracing new data sets such as true occupancy will also encourage you to reconsider how you think about your spaces, and only then will you be able to truly maximize your revenue.

## **Additional metrics to consider:**

- Rate type performance
- ADR (average daily rate)
- Pickup data
- Booking lead time (how far in advance guests book)
- Upselling and cross-selling revenue
- RevPAM (revenue per available meter) – useful for comparing hotels to hostels, for example
- Space category performance (how well different room types are selling)

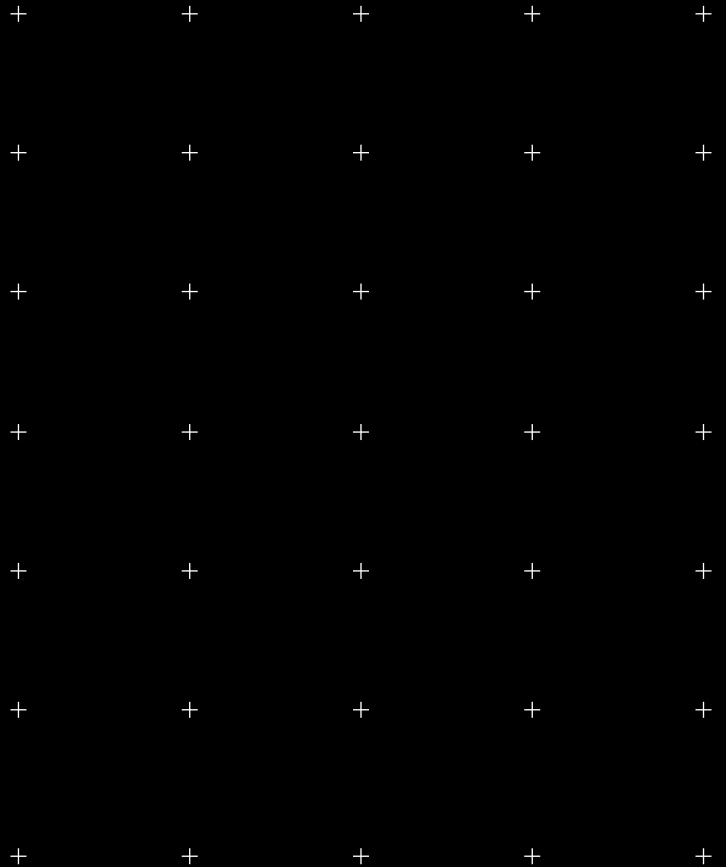
# Marketing

## Chapter 03

There are still plenty of people within hospitality – maybe even within your property – who think that marketing is simple. That it's as easy as running a few lines of inspirational copy alongside some beautiful images of your hotel. Maybe that was true a century ago, but in the 2020s, marketing is sophisticated, essential, and feeds into almost every department in your business.

A successful marketing set-up is ultimately targeting two key areas: engagement and loyalty. Engaged, loyal guests will not only bring in more revenue, but they'll be happier too. Key operational metrics will also benefit, as better engagement equals better visibility for your staff.

What this all comes down to is: how well do you know your guests? The more you can learn about the type of guest that uses your hotel, the better you can cater for them and the easier you'll find it to attract similar customers – and there's more data than ever to help you find out.



# Return guests and lifetime value

It's notoriously difficult to measure loyalty. One of the simplest ways to do so is by looking at your percentage of returning guests. If a guest comes back to your property for another stay, you know that you've done something – or a lot of things – right.

The higher the amount of return guests, the better. Why? Because repeat customers have a higher average spend. They're also more likely to purchase upsells, because they've already bought in to what you're offering. Finally, as if those reasons weren't enough,

it costs much less marketing spend to reacquire a customer than to acquire a new one.

Another measure you can use to reveal the value of loyalty is to look at a guest's lifetime value. In effect, this is a multiplication of RevPAG by length of stay and the guest's forecast number of visits. Sophisticated revenue and marketing tools can forecast expected business and customers based on booking and marketing data, and it may help you identify the highest potential value customers over time, allowing you to focus on retaining their custom.





We've established that loyal guests are good, but how do you keep them loyal? Many hotels, in particular the giant chains, are relying more and more on loyalty programs. And invariably, they work.

Radisson Hotel Group launched Radisson Rewards in 2018, and members of the program are not only happier (NPS scores are 14% higher – more on NPS later) but they generate an average of 24% more revenue than non-members. In effect, that equates to \$18 ROI for every dollar spent on loyalty.

Marriott's program, Marriott Bonvoy, of 150 million or so members accounted for more than half of all their occupied rooms in 2019, with a direct booking rate of 75%. This lets them provide segmented, personalized marketing to a large, engaged customer base – again, more on segmentation shortly.

You don't have to be a huge hotel brand to have a successful loyalty campaign. Technology has made it easier than ever and there are smart CRM solutions and tools that will do most of the work for you. This will help you to segment your customers – more on which shortly – and ensure you message them at the right time.

Think about what makes your property different. What experience can you provide that will wow your guests? Experience-led businesses get 170% higher customer retention rates and 160% higher lifetime value (*Forrester*). That doesn't mean you have to offer out-there add-ons like a balloon ride from the airport – you just need to ensure you're providing remarkable service. Measuring customer satisfaction scores will help you here. Keep reading to find out how.

## II

Guests tell us that the flow from reservation to stay to billing is a very logical and smooth experience. Mews plays a big part in that – it's all about the guest.

**Coen Schelfhorst**  
Owner,  
Guesthouse Hostels

# Demographic breakdown

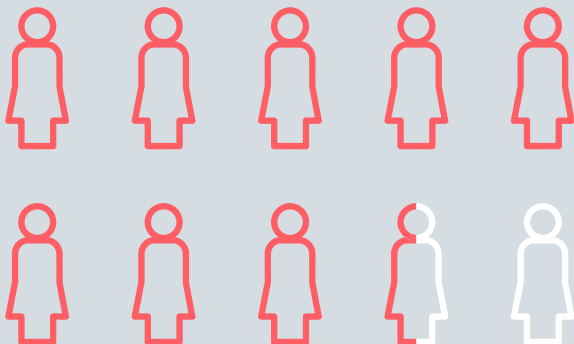
(age, gender, nationality)

Who are your guests? The more you know about them, the more effectively you'll be able to market to them and others like them. Modern hospitality systems help you to securely gather and store customer data more easily than ever, and the three areas you should consider most carefully are age, gender and nationality.

We like to tell ourselves that age is just a number, but the truth is that age groups behave differently. Let's use Mews hotel data to compare 18–25-year-olds and 56–65-year-olds. The younger age group has an average online check-in rate of over 25%, whereas the older group is only 18%. There's also a difference in booking habits: over 37% of OTA revenue comes through booking.com for Gen Z, whereas for the baby boomers it's 28%.

If you're a hotelier, knowing your age demographics gives you powerful information about what areas you should be focusing your marketing and advertising efforts. Let's say that 70% of your guests fall into that younger age bracket: highlighting online check-in on your website, or running an ad on booking.com would be a good use of resources.

Gender is another interesting indicator. Women influence 85% of all purchasing decisions and account for 58% of online sales. There are significant trends that show women also have a higher average spend than men when booking a hotel room. Look at the gender breakdown for your guests. If you have a low proportion of women staying with you, ask yourself why. It could be aesthetic, it could be a lack of certain facilities, it could be coincidence.



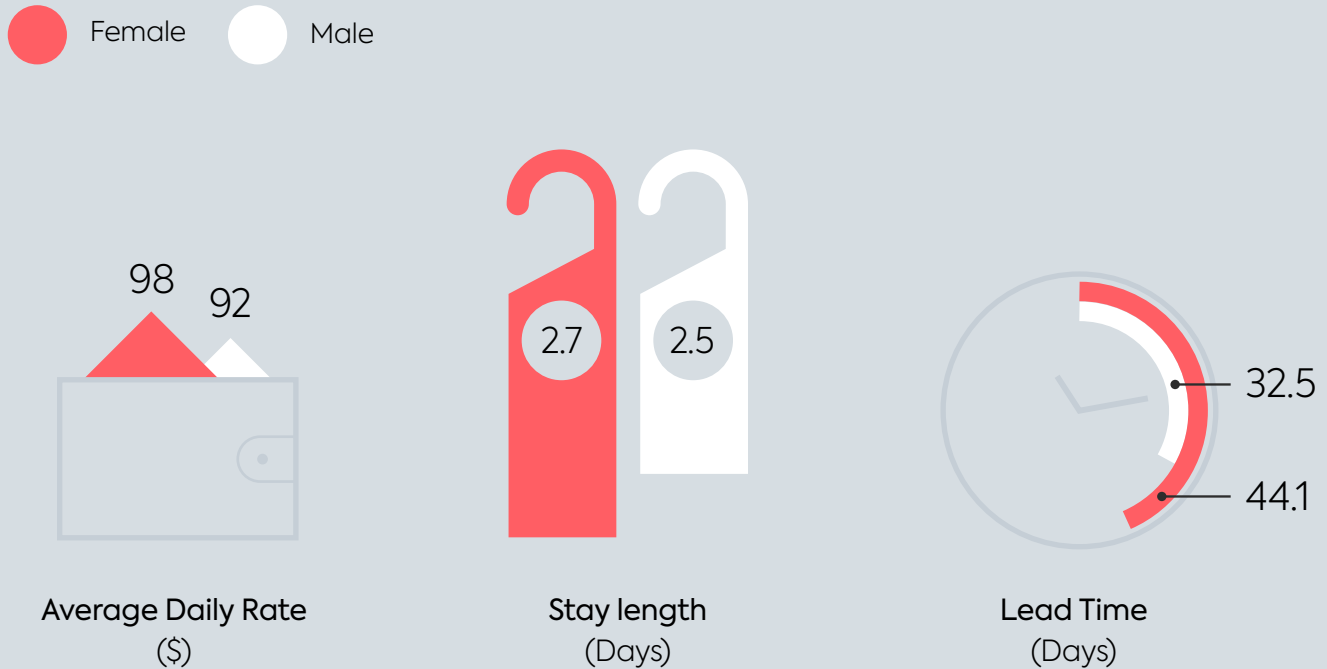
Women influence  
**85%** of all purchasing  
decisions

(Skift Research)

Smart marketing tools can target by gender, so it could be worth tailoring a campaign to attract more women to your property. Use data to guide your decision making. For instance, in every age group, women book travel earlier than men (*Harvard Business Review*). If your campaign is around a specific time or event, like summer holidays or Easter, make sure you run it well ahead of the date. Women are also more active on social media, so run ads on social channels like Facebook and Instagram.

Finally, nationality. This one isn't rocket science. Run a quick report and take a look at where your guests are coming from. If you find that the majority are coming from Germany, make sure that your website is translated into German. You can also get more detailed and combine nationality with revenue data. Compare nationality against RevPAG or ADR. You may find that people from the US have a much higher average spend than those from Europe. If that's the case, you'll know who you should be targeting to maximize revenue.

## Differences in gender behavior\*



\*Data taken from reservations in Mews hotels between 2019-2021

# Email open rates and click-to-open rates

Let's begin with an important distinction: prospecting emails and guest journey emails. Prospecting emails are essentially pure marketing. You're sending them to persuade a potential customer to book a stay with you. Guest journey emails, on the other hand, are messages that are sent to a guest who has already booked with you – they can be purely informational but there's no reason why they shouldn't (translation: they should) be marketing your products as well.

First up: prospecting marketing emails. As well as acquisition, these emails are useful for brand-building and nurturing loyalty. We could write a whole report about segmentation, but if you're not already tailoring your marketing on at least a basic level then it's time to begin. Immediately. The messaging for a potential new customer ("here's what you're missing") is different to someone who's already stayed with you a handful of times ("when will we see you again?").

For travel, hospitality and leisure, the email marketing open rate benchmark is 17.7%. Most marketers measure click-through rates, which is the number of people who click a link in the email (our industry average is 2%). However, whilst this is an important metric, you can get even more granular. Click-to-open rate (CTOR) also measures the percentage of people who click a link in the email, but only from those who actually opened it.



## Segmented emails:

Source: Revinate

20%

higher open rate

70%

higher click-through rate

73%

More revenue per recipient



This metric tells you how effective the content of your email is, and the industry average is 11.5% (email data taken from *Campaign Monitor: Email Marketing Benchmarks for 2021*).

Compare your performance to these benchmarks – if you have fewer opens and clicks, it's time to do some testing. Data gathered from your demographic breakdown will help you better customize your marketing.

Guest journey emails will have a much higher open rate, if not CTOR. A booking confirmation email typically gets open rates of 80%, although the CTOR is still comparatively low at 17%. What does this tell us? That this is a prime opportunity to increase revenue by upselling to guests who are already engaged and highly likely to open your email.

As much as 98% of all upsell revenue is generated through pre-arrival emails. Create a strong email workflow and you can make a huge difference to your bottom line. Quantity and timing are important: don't bombard your guests with offers every day, and find the sweet spot where open rates and CTOR is highest – between two to four days before check-in is often a good time. Time of day is important, too, with mid-afternoons currently seeing the best open rates. As well as upselling, remember to promote other features and facilities you have, such as online check-in, and you'll help to boost your operational metrics too.



As much as

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*Campaign Monitor: Email Marketing Benchmarks for '21*

**Hotel Spotlight:**

# Rodamón

Founded in 2012, Rodamón Hostels welcomes 200,000 visitors to their properties every year, leveraging technology to run their operations, revenue and marketing as efficiently as possible, demonstrably impacting the guest experience.

 **200,000**  
guests per year

 **6**  
properties

 **5**  
countries



**||**

We start our relationship with the guest much earlier now – the process is much easier than before. You can spend more time on the welcoming process instead of the check-in process.

**Albert Polo Aibar**  
General Manager,  
Rodamón Hostels

**Pain:**

Traditional check-in processes and generic guest engagement methods often focus on transactional interactions rather than meaningful ones, weakening the guest experience.

**Solution:**

Mews Operations allows staff to be flexible and accommodating when welcoming guests. If the reception is busy, staff can sit down with guests in a quieter area and check in via tablet. Meanwhile, pre-arrival emails leverage guest data and smart upselling tools for a more personalized guest relationship.

**Result:**

# 0.2

increase on Booking.com scores in Barcelona and Marrakech hostels.

# More

revenue generated from pre-arrival upselling.

# 98%

of payments are automated, meaning more time to talk to guests

# Customer satisfaction

There isn't currently an industry standard for measuring guest happiness. A number of valid methods exists, but the most important thing is that as a hotelier, you're actively measuring this vital metric.

Your options include a Customer Satisfaction Score (CSAT), which is typically gathered through short surveys soon after a customer interaction and usually done on an easy-to-answer scale like 1-10. SERVQUAL (service + quality) is a similar way of measuring satisfaction, covering five elements of service quality: reliability, assurances, tangibles, empathy, and responsiveness.

At Mews, we use NPS – net promoter score. This has the advantage of understanding a customer's intention with just a single, simple question: how likely are you to recommend us on a scale of 1-10? Anyone who answers 0-6 count as detractors, anyone from 7-8 are neutral, and people from 9-10 are active promoters. You find your NPS by subtracting the number of detractors from the number of promoters.

Data from Satmetrix, one of the founders of NPS, shows hotels as having an average of 36 NPS in 2020.

Whichever method you use, you'll get invaluable insights into how happy your guests are. Don't ignore external review sites either. The likes of Google and other OTAs have an enduring influence, and it's worth monitoring and responding to comments. If it sounds like a lot to oversee, there's plenty of excellent customer relationship software that's inexpensive and acts as a centralized hub for guest satisfaction and loyalty management.

Obviously, you want your guests to be happy. Measuring their satisfaction is an end in itself. But possessing actual data not only gives you direction for where to improve, but it provides more power to your marketing team. An ad campaign that boasts about 98% customer satisfaction and the highest city ranking on Booking.com is much more enticing than a campaign that simply says your guests are satisfied, with no numbers to back it up.





We use humans to do human tasks because it's good to talk to people and to help them, but the repetitive stuff we get out of the way through automation.

**Sander Ejlenberg**

Co-Founder,  
Cabiner

# Key takeaway

Marketing is all about understanding who your guests are and knowing how to keep them engaged. Increasing customer retention rates by just 5% can increase profits by anything from 25% to 95%, so investing resource into ensuring guests return is one of the best uses of your time and budget (*Harvard Business School: The Economics of E-Loyalty*).

Personalization is a powerful weapon in your arsenal. You should have the data to create detailed guest profiles that can be segmented in any number of ways, which is vital for creating a memorable guest experience. There's a trend among the bigger chains to create new brands whenever they identify a new market. This isn't necessary. Smart segmentation is much more efficient than managing an ever-expanding brand portfolio.

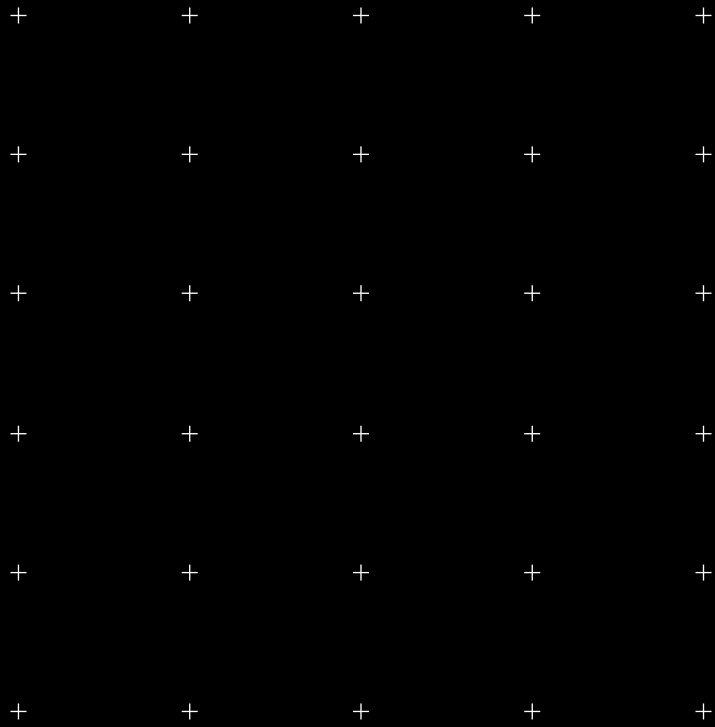
You can't be all things to all people, but you can – and should – present your property in the most compelling and suitable way, as dictated by the guest that you're engaging with.



## Additional metrics to consider:

- Guest enquiry response time
- Chatbot response time and approval rating
- Social media presence (likes, followers, comments etc.)
- Loyalty program uptake and earnings

# GUESTS



## It all comes down to guest experience

Operations. Revenue. Marketing. Whatever the department, whatever the metric, every improvement you make has one ultimate intention: to enable remarkable guest experiences.

The efficiency savings you make from operational improvements will directly benefit guests by creating a smoother, simpler and faster user journey for them, whether that's with front desk wait times or earlier check-ins. Once you start to optimize your property, your staff will be freed from impersonal, manual tasks and will have much more time to focus in forging genuine connections with your guests.

Likewise, the more successful you are in improving revenue metrics, the more resource you'll be able to channel back into hotel improvements, whether it's a new hospitality cloud, new integrations or enhanced on-site services.

Remarkable experiences are only made possible by understanding your guests' needs. This comes from knowing who they are and engaging with them throughout their stay in a personal manner. The right marketing metrics are an essential guide.

# Follow the leaderboard

How do you judge performance? It's easy enough to track your property's metrics and see whether you're improving against the targets you've set, but you also need to know how you're performing in the wider context of hospitality. A leaderboard is a fantastic way of doing exactly that.

Using real, anonymized data, you can see exactly how your hotel performance compares to other hotels. This is an invaluable tool for target setting, as it tells you where

you're ahead of the competition and where there's room for improvement. And it's not limited to any single metric: as long as the data's available to you, there's no end to what you can view in a leaderboard.

The Mews Leaderboard scores properties on nine different areas. A smart algorithm converts each of these categories into a score out of 100 – the higher your score, the better your performance.

## Here's what hoteliers can compare with Mews:



### Guest performance

**Messaging:** how quickly you respond to guest messages.

**Social:** how well you're reviewed on Booking.com, TripAdvisor and TrustYou.

**Self-service:** the proportion of check-ins and check-outs performed online.



### Management performance

**Integrations:** how well connected your property is.

**Task handling:** the percentage of monthly tasks completed before deadline.

**Self-service:** how good your staff retention is.



### Payments performance

**Virtual cards:** the percentage of payments made without virtual cards.

**Mews Payments:** the percentage of automated payments made through Mews Payments.

**Chargebacks:** the number of chargebacks your hotel receives.

# The future of data in hospitality

Predicting how an industry will look in ten years' time is, in many ways, a fool's errand. Technology, expectations and even values can change rapidly, especially in the wake of global events like Covid-19 and climate change. But data will only become more plentiful and more valued, and there are plenty of trends and practices that are on the cusp of breaking through to the hospitality mainstream.

Data science is something that businesses increasingly love to talk about, even if its exact definition tends to vary from conversation to conversation. At its core, it means extracting meaningful insights from data analysis and it seems certain that predictive algorithms will continue to become more prevalent and more important.

They're already used in areas like revenue management, but as more guest data is gathered, these algorithms will be able to confidently make recommendations and offers based on personal preference, customizing the guest journey more than ever. The most forward-thinking hospitality brands are already embracing these techniques.

New metrics will develop and replace old standards. As hospitality becomes more tech-savvy, it will look to other industries like fintech, and effective usage and lifetime value metrics will become more sophisticated, helping hoteliers get the most out of their property.

Data insights will come from a wider variety of sources. The missing piece of the data puzzle right now is how things actually look inside the hotel. We can measure how many check-ins are performed per hour, but not how long the physical queue is in reception. Camera and video processing can help to better understand workloads and other on-premises pain points. These tools already exist, but it's a question of adoption.



Perhaps the most important change will be how you receive data insights. It doesn't make sense for every hotel brand to hire their own team of data scientists, especially for smaller groups and independent properties. The next logical step is receiving in-platform insights via your hospitality cloud. After all, a property management system has access to huge quantities of data across multiple properties, so it's uniquely placed to analyze it (using those algorithms we mentioned) and generate automated insights about how and where to improve.



# Conclusion

Metrics matter. The battle between instinct and data continues to turn in favor of data, with the next generation of hoteliers and hotel tech already taking the reins, embracing new metrics and a new mindset.

Much of the responsibility lies with hospitality systems. We have the tools to unlock remarkable, metric-driven hospitality, and that's the reason we built Mews Business Intelligence.

In addition to customizable, up-to-the-minute reports, our BI solution contains Mews Analytics, a powerful analysis tool that provides five interactive dashboards across daily operations, finance, customers and reservations. This lets you compare your current performance against historical data and targets you've set, making it fast and simple to track your property's KPIs. It's intuitive and easy to use, the way that all hotel tech needs to be in order for us to progress.

Now is the time for hoteliers around the world to embrace a modern, data-first mindset. As with paradigm shifts across all industries, there's a sweet spot when it comes to adoption. The early adopters are already making waves, and the transformation of how we think about hospitality data is well underway. Leave it too late, and you risk being left behind. Get onboard now, and the possibilities for what your data can do for you are almost endless.

