

HOW HOTEL SWAGATH INCREASED THEIR DIRECT SALES BY 149% IN A MONTH

[CASE STUDY]



Challenge

Hotel Swagath, Bangalore were faced with 3 major challenges. They were:

- Business was stagnating due to excessive supply – There were 8 similar hotels in the vicinity in the 3 -star category with no clear differentiation
- Reduced yield due to pressure from sales channel – OTAs and other sales channels understood the intense competition and demanded higher distribution cost
- Manpower costs – Due to increasing Manpower costs, the hotel could not afford to spend quality time to grow their review content in key sites like TripAdvisor, HolidayIQ etc

Opportunity

KePSLA helped identify 3 major opportunities that can be used to their advantage. They are,

- The Avg. Occupancy rate of the hotel was 58%.
- The hotel was in a great location, close to railway and bus stations.
- Over 35% of the business were coming from online sources.

Solution

After some intensive research on the hotel and its performance, KePSLA identified 12 key places to grow direct business. The study found that a large amount of business was already coming from online sources and, it was concluded that largest part of their referrals was coming from TripAdvisor which is the largest brand in reputation. So, a 30-day intense campaign was carried out to drive traffic to the hotels own site and thus drive bookings from there.

TripAdvisor Drive

The hotel's TripAdvisor page lacked some much-needed reviews. With some help from KePSLA's Feedback Management System the hotel has started collecting reviews from the guests' during checkout. The front office staff were trained to capture the reviews and rating using KePSLA's mobile app, which was both available to Android and iOS customers.

Immediately, the otherwise limp TripAdvisor review graph began to show signs of life and in a span of 30 days we say the following changes

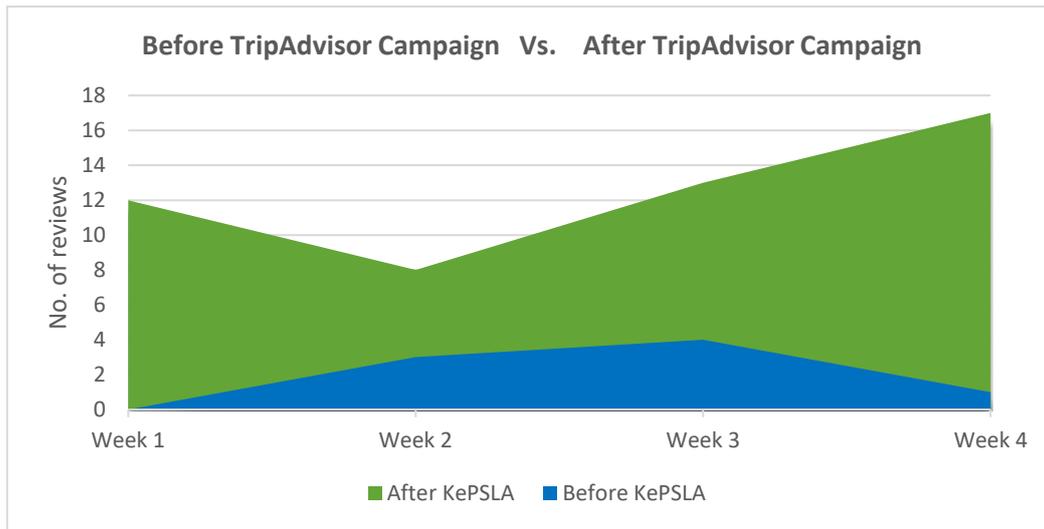
- **Hotels TripAdvisor rank went up from 235 to 71.**
- **Visibility in TripAdvisor & hotel's website increased with PPC campaigns.**
- **Direct bookings went up from Rs.47,000 to Rs.2,35,000 with an increase of 400%. Increase in direct revenue as well.**
- **Occupancy rate improved From 58% to 74%**
- **And most importantly Distribution cost reduced from 25% to 3% for the incremental bookings, due to smart usage of the TripAdvisor's PPC campaign**

BACKGROUND



Located near Majestic Bus Station, and Bangalore City Railway Station, Hotel Swagath is a leading budget hotel that offers the best hospitality at competitive prices.

The hotel suits the needs of business travellers, family travellers and leisure travellers as the hotel offers easy access to major shopping and tourist destinations of Bangalore.



Impact on Occupancy and Direct Bookings

The increase in the number of reviews and positive customer experiences and responses led to an increase in the occupancy of the hotel.

Direct bookings went up from Rs.14,940 to Rs.37,309 with an increase of 149%

Smart use of the TripAdvisor PPC campaign reduced distribution from 25% (which was the average that they were paying to OTAs) to 3%, which they paid as PPC cost.

Thus, increasing their revenue by Rs.22, 369.

	May	Jun
Occupancy	58%	74%
ARR	2,236	2,317
Inventory	64	64
GTV	83,000	1,09,733
Direct Sales	18%	34%
Sales with no distribution cost	14,940.06	37,309.26
Increase		22,369.20

Review Intelligence

Not only did KePSLA's Feedback Management System help the hotel to increase the number of reviews, KePSLA also provided the hotel with Review Intelligence System. This enabled the hotel to keep track of all the reviews from multiple sources. Measure efficiency, monitor department and KPI performances and competitor comparison.

KePSLA's complete solution with Feedback Management and Review Intelligence helps hotels gather customer feedback, analyse them, benefit and monetize the findings.



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