

RezNEWS Feature Article: How to double your online revenue...overnight!

Our feature article will begin by defining the term website “conversion.” For our purposes, a website conversion happens when a website visitor books a room online. A conversion rate is the percentage of visitors that come to your website that follow through with a booking. In perspective, if 100 visitors land at your website and two of them make a reservation, your property’s website has a 2% conversion rate. It then follows that when you have a website conversion, you also have revenue associated with this transaction. Working with the average daily rates and length of stay formulas, if you can double your conversion rate, you can double your online revenue. If a 2% conversion rate is generating \$25,000 per month, then a 4% conversion rate should generate \$50,000 per month. The following paragraphs will outline ways to monitor your conversion rates and online revenue as well as factors that will improve your website’s functionality and its ability to generate revenue.

Knowledge is power in the land of website conversion.

If you do not know your website’s conversion rate or the amount of revenue your website is generating, you need to invest in a website tracker. A tracking system will allow you to monitor visitor behavior that will help identify possible weaknesses in your website design. The tracker also examines conversion rates and online revenue. Once armed with this knowledge you possess valuable information that will assist you in making wise changes to your website that can then be closely tracked for effectiveness.

Strive to beat the averages.

Lodging websites usually fall in the 1-3% range for conversion rates. If you find that your website is in this range, this presents good and bad news. The bad news is that your website is not generating as much online revenue as it could. Another way to look at this is that every day your website performs at or below industry averages, you are losing money. On a positive note, it is pretty easy to not only beat industry average conversion rates, but in many cases, you can double your website’s conversion rates. If your property is in a desirable location and has enough inventory to support online bookings, it should be easy to change from a 2-3% conversion rate to a 4-6% conversion rate just by making website design changes.

The elements in the following list can have a profound effect on the performance quality of your website. While it is difficult to say just how much effect each element will have, if implemented correctly, all well executed components should boost your conversion rate by a minimum of one half of a percentage point. Depending on the current condition of your website, some modifications could even yield increases in conversion rates of up to 3%. It is the cumulative effect of all cited elements that you should strive for.

- Professional design. Generally speaking, the overall website design will have the greatest impact on your conversion rate. High-level graphics, complementary color schemes, and ease of visitor use are the most critical components. If your design looks sloppy, unorganized, unprofessional or dated, it will convert at a low rate. When you make the jump from the amateur to the professional ranks of website design, so will your conversion rate. Look for a 1-2% jump in conversion rates when a beautiful new design replaces an old, dysfunctional one.
- Professional photography. Attractive photos sell rooms. It’s that simple. When you find a website with expert photography of the property and accommodations, it shows! Compare sites that employ standout photography to yours and see how your website photos stack up. Look for a .5 - 1% conversion rate jump when you replace your old photographs with fresh ones. If you feel the need to have galleries, virtual tours, or any other variations of your photography, make sure that the still photos of your property, common areas, and rooms or room types are represented with professional photos first. Embellishments like virtual tours should be considered “icing on the cake” and should not be used as a replacement for high-quality still photos.

- One of the best things you can do with your website is to avoid the temptation to reinvent the wheel. The object should be for your lodging website to generate the most possible revenue. Visitors expect certain things from a lodging website, like easy to use navigation and easy access to vital information like photos, rates, and an online booking engine to make reservations. Don't confuse them with non-conventional design elements or a remedial booking process. People have limited time to book a room and do not like to relearn how to use your website when your competition has utilized the same functionality and streamlined booking process for years. If your desire is to impress your friends with an off-the-wall wild website design, then by all means, enter a design contest. If you want to double your online revenue, use time tested design principles that work. An intuitive design and a clear booking process that replaces a confusing one will increase your conversion rate by 1-2%.

In conclusion:

While there are other changes that can be made to increase your conversion rate, the above three adjustments are a good starting point. Let's look at the low-end results of implementing just these three components. If a professional design can add 1%, professional photography another .5%, and an intuitive easy-to-use design an additional 1%, this totals a conversion rate increase of 2.5%. If your conversion rate was previously at an industry average of 2%, implementing these three suggestions should more than double your conversion, which will in turn more than likely double your online revenue as well. With recent press about search engine optimization, email marketing, Web 2.0 and other catchy web marketing jargon, it is easy to lose sight of the importance of solid website design and how it affects your bottom line. When prioritizing website needs, it is always best to focus on the website design first. This way, any positive change will take full advantage of your existing website traffic. Once you have doubled (or better) your conversion rate, it's time to get the rest of your marketing efforts in order to really ramp up traffic to a website that now converts at a much higher rate.

About the author

Joe Pawlak is Vice President of Sales and Business Development for RezStream, Inc. He also heads the Internet marketing division. Joe has over eight years experience in the hospitality website design, hosting, and marketing arena.