

M E T A S E A R C H

What to Know Before You Bid | A Guide for Independent Hoteliers

Introduction

With nearly three-quarters of travelers using metasearch during their planning process, it’s no wonder that independent hoteliers are turning to these search tools as a way to improve their direct booking conversion rates. Some are calling metasearch the most important distribution channel in the travel industry.

In fact, an analysis by travel consultants PACE Dimensions indicates that metasearch sites account for more than 45% of global unique visitors in the travel industry. That’s greater than the proportion of unique visitors for Online Travel Agencies (OTAs), both globally and in the US. Moreover, a **30% to 40% rise in traffic is predicted in the coming year**, with more than 50% of surveyed hotel marketers saying they’d dedicate at least 20% of their advertising budgets to metasearch.¹

theguestbook.com/hoteliers



The rise of metasearch

But how, since its inception in 2013 when Trivago and TripAdvisor first offered hotel pricing comparisons, has metasearch become such a critical tactic for hotel marketers?

The answer, as always, begins with the consumer. Travelers were yearning for ease and convenience when planning their travel. After the digitization of the travel industry overcomplicated the planning process, travelers are now embracing the simplicity of metasearch. Today, a traveler can receive hotel rates from most channels in one easy search and compare the prices in one quick glance.

The prebooking journey has radically changed. In an EyeforTravel survey, **94.4% of consumers reported that they used price comparison sites** at least occasionally when booking a hotel. Within this percentage, **72.5% of consumers said they regularly used metasearch sites**, and **43.6% said they always used metasearch.**²

Metasearch engines such as Google Hotel Ads are now so prolific some have even started referring to them as “the new hotel homepage.” **Why should a traveler go to the hotel’s website when they can click the “Book a Room” button and go directly to the booking engine?**

Metasearch has eased travel planning panic



15 hours
The average amount of research to plan a vacation



40 minutes
Amount of time when travelers become bored doing research



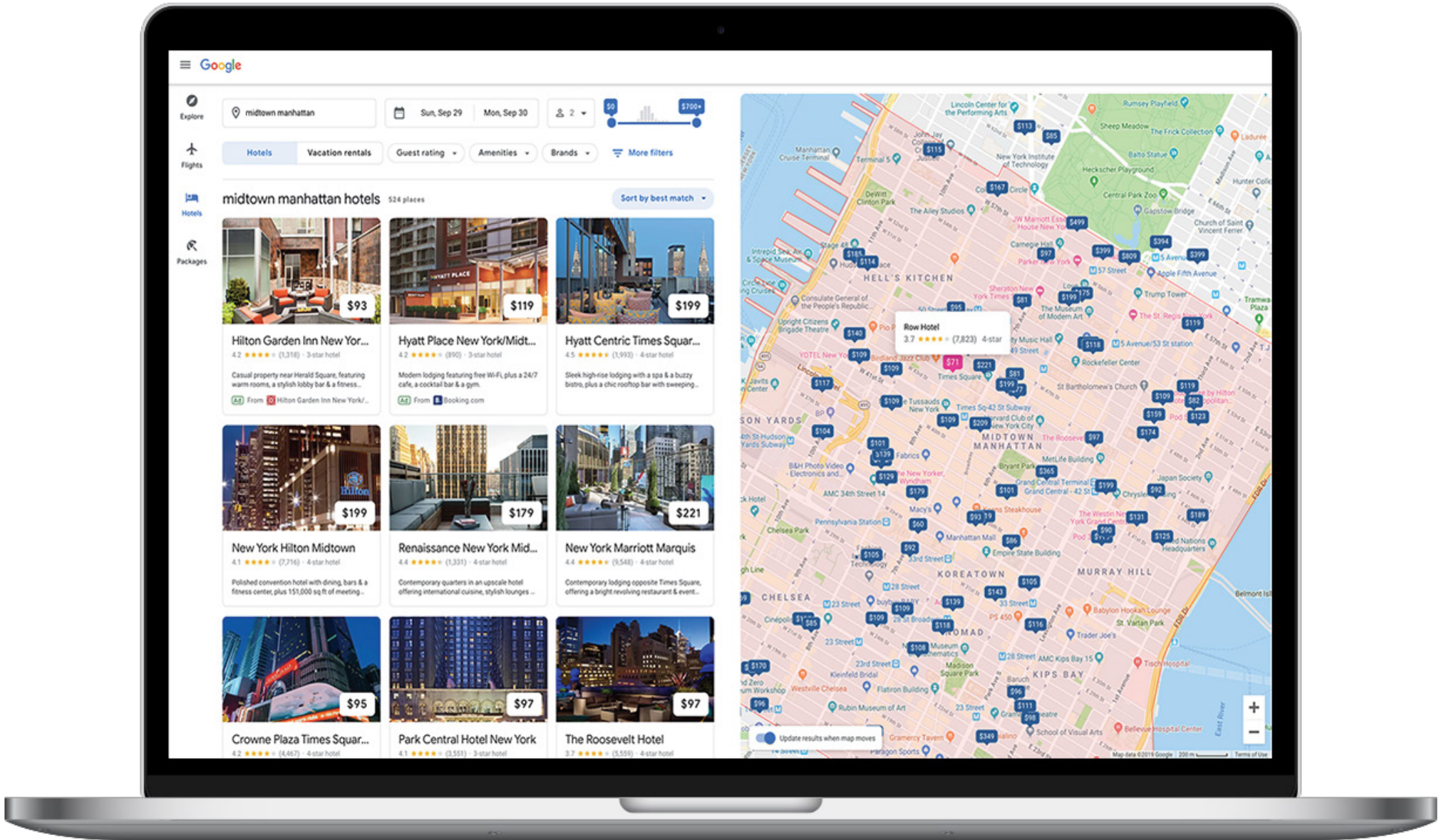
55% agree
They have to check too many sources of travel information³

Metasearch as a conversion tool

Independent hotels have been rocked by the industry’s shift to digital. Every year, hotels are spending more marketing dollars and increased commissions to fill the same rooms and collect the same revenue.

Although hoteliers may feel overwhelmed by the numerous marketing tactics and distribution channels, they will find **metasearch is an important way to attract OTA-level volume to a booking engine at a significantly cheaper rate**. Because conversion rates on metasearch are often higher than for other channels, metasearch engines provide a major opportunity for independent hotels to strengthen their direct sales channel and compete with OTAs.

But metasearch is about more than just revenue. metasearch engines allow independent hoteliers visibility on a platform that an increasing number of travelers are utilizing. More potential guests will see the hotel’s logo and interact with the brand, which doesn’t necessarily happen through an OTA. Importantly, customers entering via metasearch are likely to be new to the brand, resulting in the hotel not having to acquire them again with incremental marketing spending.



Accelerating conversions: What to do before you bid

Establishing a successful metasearch strategy requires more than just a one-size-fits-all approach, but **all boutique hoteliers should take three important steps before investing in metasearch:**

1

Maintain price parity — Remember where the traveler is in their booking journey. Many travelers who utilize metasearch are ready to book immediately. Hotels need to make sure they're in the best possible position to capture that conversion, and that means having the best price. Because metasearch engines show the traveler a real-time rate comparison to the OTA's price, it is critical that the hotel's direct booking rate be aligned with the other options. Otherwise, you're losing the conversion and hurting the image of your brand.

2

Prior conversions matter — A high conversion rate is a prerequisite for an effective metasearch program. For target return on ad spend (ROAS), Google suggests that a hotel's booking engine have at least 20 conversions in the past 45 days. For optimum results, it is recommended to have at least 50 conversions in the past 30 days for both target cost per acquisition and target ROAS. Additionally, hoteliers should identify their current booking engine conversion rate without any marketing as this would be a good indication of how successful or unsuccessful their campaign will be.

3

Differentiate your brand — Google Hotel Ad Callouts, previously known as taglines, allow hotel marketers to include additional text in the hotel booking module. Callouts are usually one to two additional lines of customizable text within a single ad. This feature allows hotels to differentiate themselves from other listings. It's an opportunity to feature campaign taglines, property amenities, promotional offers, or messages that will set you apart from OTAs.

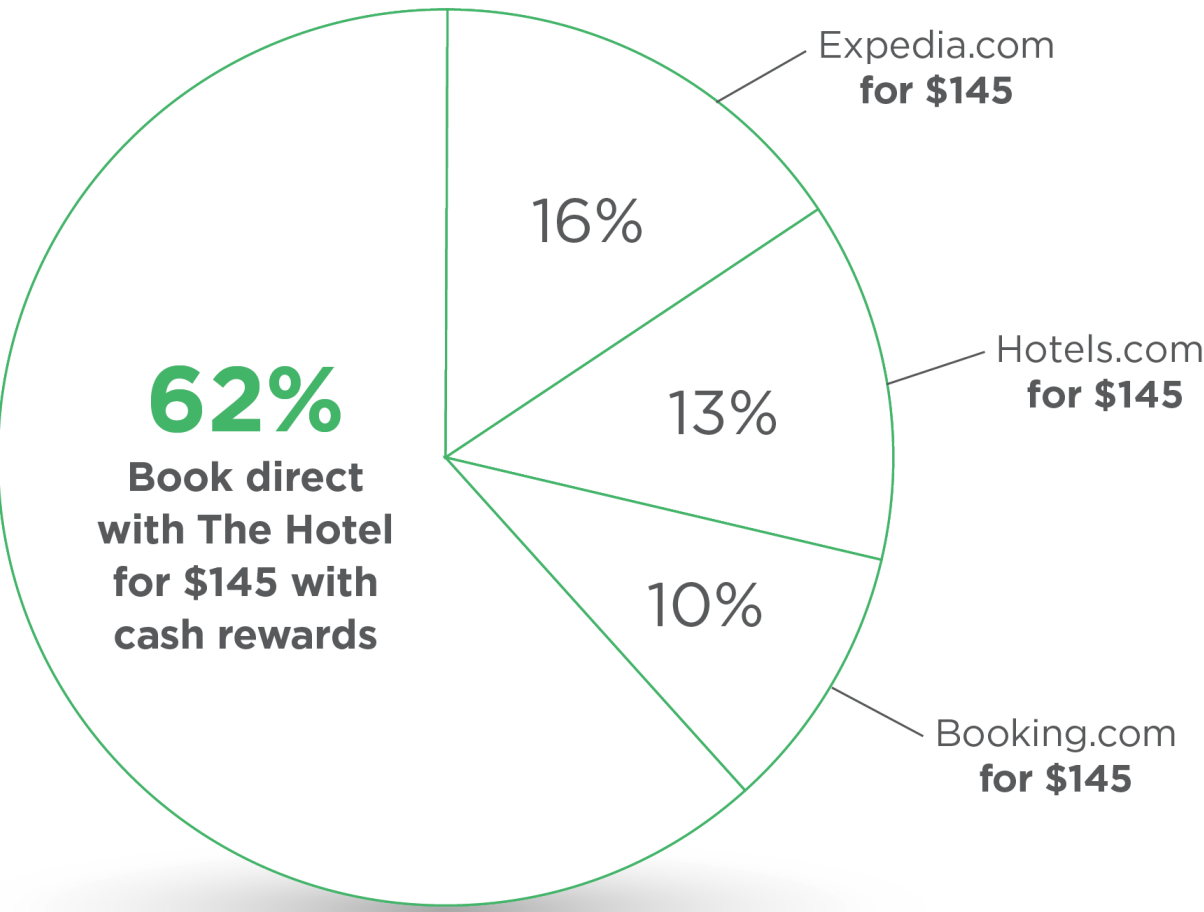
Since OTAs can apply their metasearch click to bookings at hundreds of possible hotels, it's hard to outbid them in most cases. **What can independent hotel marketers do to tip the scales in their favor?**

How can an independent hotel win the war against OTAs?

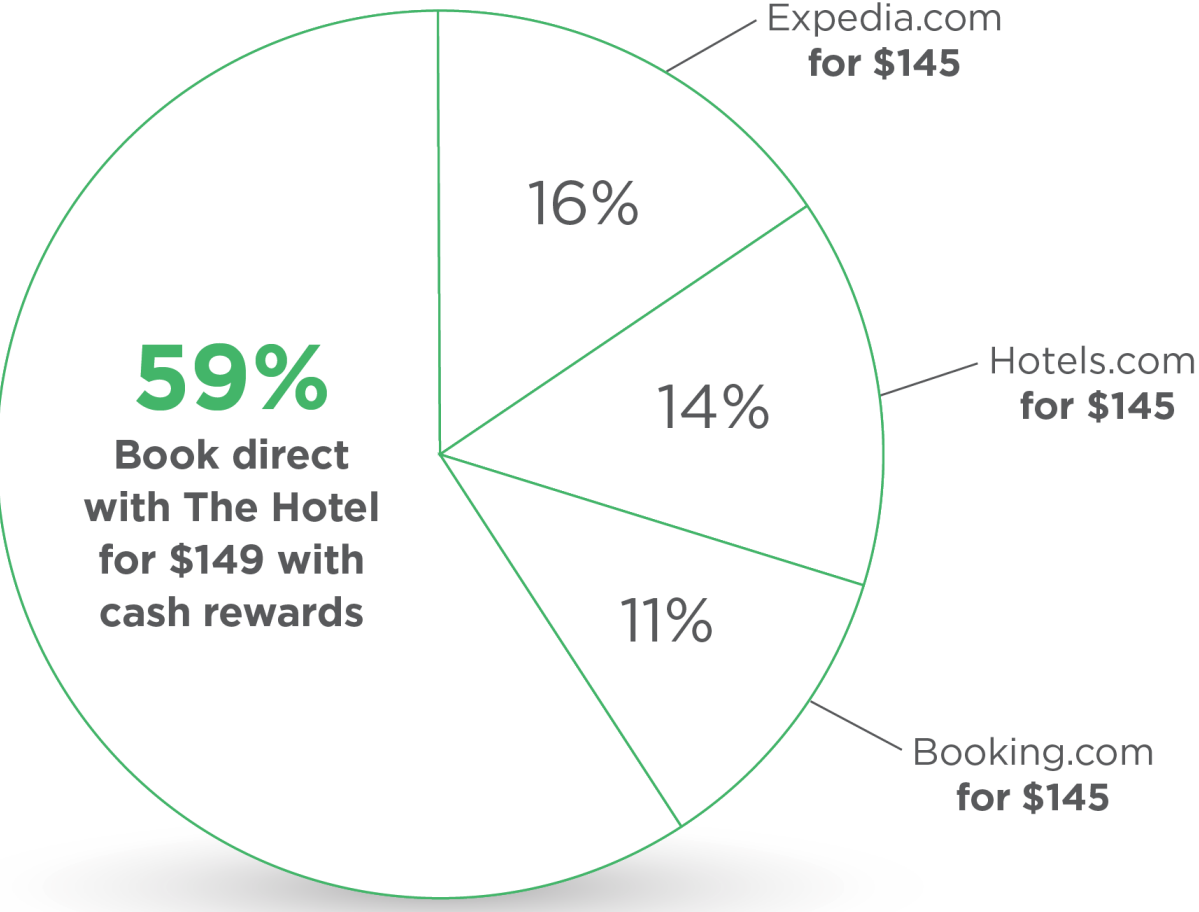
The answer is simple. By leveraging understanding of the travelers’ journey and giving them a compelling incentive, independent hotels can build their brands and differentiate themselves within metasearch. Promoting cash rewards as a call-out provides the extra incentive that guests are looking for.

In a recent research study conducted with 500 American travelers, The Guestbook found that when choosing a hotel booking option from metasearch, travelers overwhelmingly preferred cash back rewards...even when the hotel’s rate was slightly higher. **Importantly, giving cash back rewards doesn’t violate rate parity agreements.**


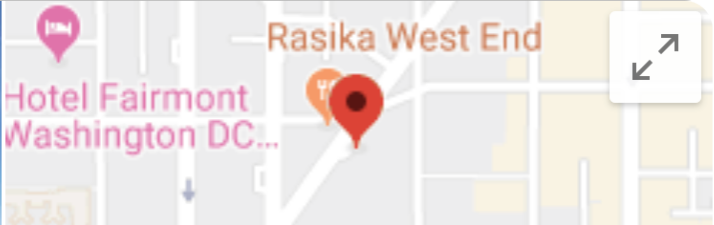
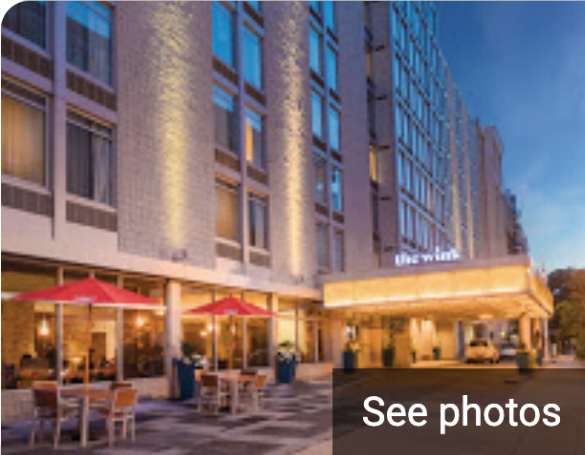
At parity, 62% prefer booking direct with cash rewards over booking on a major OTA



Even when the hotel’s rate is higher, cash back rewards attract more guests



Source: Metasearch message comparison research, conducted with 500 Americans with household incomes over \$75,000



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4.1

★★★★☆

1,253 Google reviews

4-star hotel

[BOOK A ROOM](#)

Address: 1140 New Hampshire Ave NW, Washington, DC 20007

Phone: (202) 775-0800

Ads

Check availability

Sun, Nov 3

Mon, Nov 4

2

Official site

Earn 15% Cash Rewards · Book Direct and Save

\$149

>

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\$145

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Hotels.com

\$145

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from **\$145**

Optimizing metasearch with the power of cash back

To calculate the true power of cash back within a metasearch engine, The Guestbook beta-tested the cash back rewards message with three independent hotels in February of 2019. The hotels ranged from a three-star hotel in New York City to a five-star hotel in Los Angeles. Each hotel promoting the cash back rewards message within its metasearch listing saw a significant increase in conversions and a higher return on ad spend even when factoring in the actualized rewards costs. The Guestbook’s cash back message paired with a strategic metasearch buy created a meaningful boost in direct booking conversions, hotel revenue, and ROAS while decreasing the hotel’s cost of acquisition.

+135% Conversion Rate	+275% Hotel Revenue
+70% Return on Ad Spend (ROAS)	+47% ROAS (Including Rewards Cost)*

A five-star oasis that combines cosmopolitan elegance and laid-back California cool

93% conversion rate increase

\$18,500 monthly hotel revenue increase

164% ROAS increase

“We have seen that The Guestbook improves our booking engine’s conversion rate. More direct bookings mean we have a greater number of opportunities to deliver excellent guest experiences and foster loyalty. And second, The Guestbook is another tool for us to offer a better value to guests than what the OTAs can offer.”

— Assistant General Manager

A three-star boutique hotel conveniently located in Midtown Manhattan

370% conversion rate increase

\$14,500 monthly hotel revenue increase

“We have seen The Guestbook drive more direct bookings. Operationally, we get no complaints and very few questions. At the end of the day, it’s more money in the guest’s pocket and more money in my pocket!”

— Director of Sales and Marketing

A vibrant four-star Washington DC hotel

\$25,000 monthly hotel revenue increase

54% ROAS increase

“Implementing The Guestbook has been great for our Brand.com numbers—we’ve consistently seen month-over-month improvements in conversions and returns. We particularly appreciate how seamlessly The Guestbook operates in the backend. Once a guest signs up, The Guestbook takes care of all of the operational work..”

— Director of Revenue Management

*ROAS (including rewards cost) includes hotel revenue, CPCs, and the guest rewards reimbursement and service fees paid to The Guestbook when a guest claims his or her reward after checking out.



Ready to increase your direct booking conversion rate?

There are more metasearch and direct booking conversion tips than we can fit in this guide.

Do you want to learn more?

The Guestbook helps independent hotels and boutique brands supercharge their booking engines to increase direct booking conversions by giving guests what they really want—cash. By offering guests a choice of 5% cash back, a 5% charitable donation, or 15% Trip Cash on any reservation booked directly with the hotel, we help boutique hotels bolster their bottom line and strengthen relationships with their guests. With over 725 hotel partners in 70 countries and one million members, The Guestbook is the largest cash-back rewards platform for independent hotels. Learn more at theguestbook.com/hoteliers.



References

1. [Siteminder](#)
2. [EyeforTravel, 2018 Traveler Loyalty Survey](#)
3. [Phocuswire, “How Metasearch Became the Most Important Marketing Channel in Travel”](#)