

THE 2022

Ultimate Guide to Growing Resort Ecommerce Revenue

*For many resorts, the road to growing their ecommerce revenue
may start with decreasing their conversion rate.*

Table of Contents

Intro Revenue Up, Conversion Down?

Set the stage, get them to want to read the rest.

Chapter 1 The Problems with Conversion Rate

Get people to realize that conversion rate doesn't account for revenue and we're all measuring it differently.

Chapter 2 Resort Products, Price, and Conversion Rate

Get people to realize that conversion rate varies wildly by product type and product price.

Chapter 3 The Good Kind of Booking Friction

Drive home how successful upsells are and selling more than they originally came shopping for can work as long as the losses from friction are less than the gains in revenue. In other words, increasing revenue may decrease conversion.

Chapter 4 The Misunderstood Math of Upsells

Combine these things by driving home the point that friction is good if it increases revenue and that if the increase in revenue outweighs the decrease in conversion, that's good. That's why upsells are so common: more people will book extra products (if they can) than leave the funnel because of this friction.

Chapter 5 Aligning to Guest Behavior Trends

Drive home the point that everyone wants something different. Ecommerce platforms try to force everyone into the same route instead of aligning to those differences.

Chapter 6 The Data-Driven Role of Call Centers

Drive home the point that our ecomm can do it, but a call center can do it and they can increase revenue even more.

Chapter 7 Payment and the Evolution of Resort Guests

As today's customers buy more, they want more options. They can help convert at higher booking amounts,

Chapter 8 The Right Way to Approach Conversion

Drive home the point that it's a metric for you, not a comparison. Find ways to improve (like by traffic source) but treat it as a ceteris paribus: only test conversion when nothing else is changing.

Chapter 9 A Step-by-Step Game Plan

Recap:

- Map the guest experience
- Look for upsells
- Get a booking engine that can sell everything in multiple ways
- Partner with these suppliers
- Offer flexible payments
- Ensure your call center can help
- Then look for conversion opportunities

Conclusion

The Context for Conversion

THE ULTIMATE GUIDE TO Growing Resort Ecommerce Revenue

For many resorts, the road to growing their ecommerce revenue may start with decreasing their conversion rate.



Woodstone Meadows
📍 🏠 📶

Woodstone and Woodstone Casa de Campo are located outside of the "Kettle" mountain area and very close to the Woodstone Meadows Golf Course, the Waterpark, the Spa, and Woodstone Recreation Center. Massanutten Resort is reopening in phases starting June 12, 2020. For more information and details about the resort's operations, visit www.massresort.com/recovery. Rental...

Filter By:

- Lodging
- Activities & Attractions
- Biking
- Golf
- Dining Events
- Season Passes
- Golf Membership
- Water Park

Price per Night: (USD \$)
0 - 194

- Unit Type
- Bedrooms
- Neighborhood

innisridge

3 matching locations found.

| Name | Price |
|------|-------|
|------|-------|

My Itinerary

innisridge

Ten Years in a Row!

John, we just wanted to celebrate the fact that you've booked a vacation with us ten years in a row! It's guests like you who have made this year one of the best we've ever had. To celebrate, we'd love to send you a set of two wine glasses and a bottle of our new Innisridge Red that we've created through a partnership with a local vineyard. Just fill out this quick form to confirm your address and we'll get

Confirm Your Mailing Address

Table of Contents

| | |
|------------------|--|
| Intro | Revenue Up, Conversion Down? |
| Chapter 1 | The Problems with Conversion Rate |
| Chapter 2 | Resort Products, Price, and Conversion Rate |
| Chapter 3 | The Good Kind of Booking Friction |
| Chapter 4 | The Misunderstood Math of Upsells |
| Chapter 5 | Aligning to Guest Behavior Trends |
| Chapter 6 | The Data-Driven Role of Call Centers |
| Chapter 7 | Payment and the Evolution of Resort Guests |
| Chapter 8 | The Right Way to Approach Conversion |
| Chapter 9 | A Step-by-Step Game Plan |

Introduction

Revenue Up, Conversion Down?

If someone asked you to double your ecommerce revenue in the next twelve months, where would you start?

Among the strategies employed, marketers at resorts, hotels, ski areas, and golf courses will often begin this endeavor by trying to optimize their conversion rate. You know the formula: traffic x conversion rate equals how many bookings you see. Your organic traffic is likely consistent, you may be struggling to get a good ROI on paid visitors, but if you could just budge that conversion rate up a percentage point or two, well, you'd be on your way.

In the quest for increased performance, conversion rate often becomes a resort marketer's only hope. Their Obi Wan in a battle between sessions and transactions.

Part of this belief comes from people like me; marketers at technology companies who insist it's the golden goose of ecommerce metrics. This is due, in part, because we may believe our conversion rate is marginally better than another's and we're all looking for a good story. Some of it comes from other industries or types of businesses where conversion rate really is the only way for them to increase revenue. After all, selling mattresses doesn't give you much hope for revenue growth without hunkering down and getting a few more people who shop for your mattresses to buy from you instead of going somewhere else. And some of it is just old habits or old ideas we've never had the opportunity to challenge. As innovative and marketers and revenue managers are, we're also creatures of habit.

But regardless of how important you feel conversion rate is in such a quest, almost everyone who reads this page will bristle at the idea that, for many resorts, the road to growing revenue is often accompanied by a decrease in conversion rate.

The mental math just doesn't add up.

That this idea can seem so counterintuitive to so many marketers, revenue managers, and leaders in our industry is exactly the problem we'll dig into in this book. We've fallen so in love with conversion rate that we've forgotten what conversion rate doesn't tell us. What its blind spots are. We've forgotten that it tells us one part of a story, but not the whole story. Within that story, conversion rate can be a valuable thing to measure, optimize, and monitor, but unless you peel back the layers and put that number into context, unless you understand what impacts that conversion rate, unless you're willing to sacrifice that high conversion rate for things that will make you more revenue, then there really is no way forward to accomplish anything besides paltry improvements.

If any of this resonates with you, the good news is that you're not alone. And the best news of all is that it's easy to move beyond conversion rate once you change your perspective.

Changing our collective view of resort and hotel ecommerce performance is exactly what we're going to do in this guide. We'll start by examining common misconceptions, mistakes, and the unique dynamics of measuring conversion rate when selling things like rooms, tickets, tee-times, rentals, and spa appointments. We'll then look at guest behaviors to understand how our quest for conversion can force many guests into booking trips in the way we want them to instead of how they want to. Next we'll take lessons from other industries that have been

incredibly successful at driving online revenue growth. And then we'll bring all of this together in a simple game plan that combines all of these pieces - conversion rate included - into a succinct, realistic way forward.

At the least, this book will clarify how to think about your ecommerce performance and teach you to confidently know how well you're really doing. At the best, however, it could help you grow revenue in ways you never thought possible.

Conversion rate isn't the enemy, but it's time to think beyond this metric and see the bigger picture.

Interested? Let's dig in.

Chapter 1

The Problem with Conversion Rate

This chapter will be available when the full book launches in January 2021. To get notified when the full book is available, please visit the link below:

<https://corp.inntopia.com/tools/ultimate-guide-resort-ecommerce/>

I arrived at the starting line 5 minutes late. Whether it was a simple misunderstanding or sabotage by the friend who had challenged me to join him in this 10k race, the world may never know. But whatever the case I spent the first few miles passing walkers, then joggers, and eventually many runners that made up the bulk of the 15,000 people who were taking part. By the finish line I had passed so many people I was sure I had a personal best and maybe even a spot on the podium in my division.

Instead, I was 394th. This story of my not-so-illustrious running career is a surprisingly good representation of the issues marketers and revenue managers face when they put too much weight on conversion rate. We compare ourselves to conversion rate benchmarks, to case studies, to virtually anything that will tell them how well they are, or aren't, doing. And, along the way, we end up comparing ourselves to data points that are meaningless at best and misleading at worst.

The reason for this is fairly simple: our yearning for comparison comes with three inherent challenges or blind spots.

A friend once convinced me to run an Independence Day 10k race. I've never been anything other than an average runner despite my bean-pole DNA and best attempts to train. But, I love the feeling of crossing finish lines and never back down from a challenge. So, after some feigned hemming and hawing, I signed up.

Now, whether it was an accident or my friend trying to sabotage my race, the world may never know. But, somehow, I ended up receiving bad intel on the parking situation and didn't make it to the starting line until 5 minutes after the gun had

gone off. This ended up being a pleasant surprise. The race had 10,000 participants. So unless I was the absolute slowest of the lot, I was going to pass a few runners over the course of the next hour. And that's exactly what I did. Older runners, younger runners, runners with knee braces, runners pushing twins in strollers, it didn't matter. I zipped by each and every one of them as if I'd just passed the world's best on my way to olympic glory.

I was elated as I crossed the finish line. Where was I in the pack? Top 10 in my division maybe? Top 25?

As soon as the results went live, my dreams of glory were quickly dashed on the blacktopped streets of downtown Salt Lake City. Nearly 400 runners in my age group had beaten me. And not by a little. I had been so focused on comparing myself to runners who weren't like me, I hadn't been able to gauge how well I was really doing in this race. My time ended up being one of the worst I'd ever run.

This is a book about revenue, though, right? Well, marketers who put a lot of weight on conversion rate are a lot like me in that race. They compare themselves to conversion rate benchmarks, to case studies, to virtually anything that will tell them how well they are, or aren't, doing. And, along the way, they end up comparing themselves to data points that are meaningless at best and misleading at worst.

The reason for this is fairly simple: our yearning for comparison comes with three inherent challenges or blind spots.

Challenge #1: Inconsistent Measurement

The first is how other marketers and revenue managers measure conversion rate. We all know the formula - transactions divided by visitors - but the question is

which visitors? Hotels and resorts are unique in that their booking engine is often completely separate from their marketing website. Do you count anyone who enters your website? Or just those who make it to your booking engine? Or both?

I recently gave a talk about this very thing at our annual user group. Interestingly, we also polled the audience of 100+ resort professionals about what they use as a denominator in this formula.

Which visitors do you count when you calculate the conversion rate?

Poll Results (single answer required):



There simply isn't a consensus about how to measure this number. This has massive implications in the context of comparison. You and your competitor might both get 10,000 visitors a month. And you might both get 100 bookings from those visitors. But what if those bookings come from 1000 people who make it to the booking engine? If you use all website visitors at the denominator, you'll calculate a conversion rate of 1%. If your competitor uses only booking engine visitors as the denominator, however, their conversion rate will be 10%.

They drop that during a panel discussion at a conference and you'll be worried you're at the back of the pack when, in reality, you're right on pace.

Challenge #2 - Inconsistent Friction Points

We'll talk much more about friction during the booking process later in this book, but there are some things all visitors must know in order to make a booking. As a result, these are things that may make or break their decision. This would include information like:

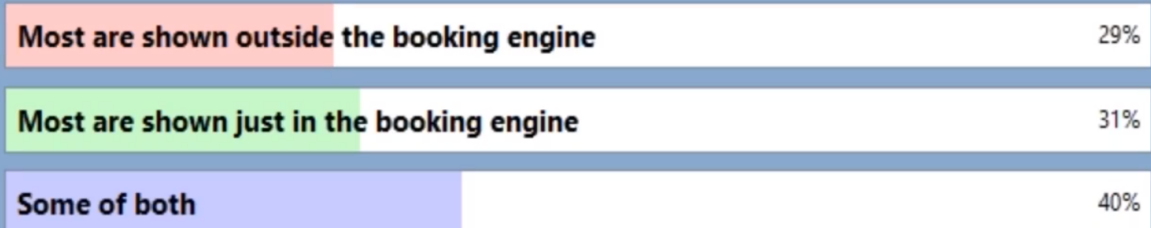
- Prices
- Cancellation Policies
- Detailed Photos
- Additional Taxes & Fees

Now, think of that measurement example again. If you place all of these on your marketing website, these deal breakers will mean that people drop from your website before they make it to your booking engine. Fewer people will make it to your booking engine which, if that's where you start measuring conversion, will decrease your denominator and increase your measured conversion rate even though the number of transactions generated by that traffic doesn't change.

Interestingly, just like there are many ways people measure conversion, there are inconsistencies in where and when resorts and hotels place this information based on another survey we conducted during that same session.

How many product details (prices, policies, photos, etc.) do you show outside of the booking engine?

Poll Results (single answer required):



Challenge #3 - Individual Product Performance

But the reason you're reading this is likely because you're not just offering someone a generic bed for somewhere to rest between here and there. You're part of an experience. Maybe you're a self-contained resort who owns all of those pieces, maybe you're part of a destination that offers the experiences as a collective whole. But the fact that your guests are likely buying a long list of experiences - a room to stay, dinner that first evening, spa visits the next morning, bike rentals in the afternoon, etc. - means that the next point is extremely relevant to all of you.

The point is simply this: conversion rate will vary wildly by the types of products offered and the prices at which they're sold. Compare the conversion rate on a luxury hotel room at rack rate to the conversion rate on a limited quantity zip line tour sold at \$50 off and you may see conversion rates of 1.5% and 40% respectively. We'll talk about this more in the next chapter, but as you can imagine the mix of products you sell will also make your average conversion rate vary widely as well. During our user group, we asked attendees to submit one last bit of insight around this point.

What types of products do you sell?

Poll Results (single answer required):



Mix these three issues together:

1. Inconsistencies in which visitors count toward conversion rate
2. Inconsistencies in where conversion-influencing product details are shared
3. Inconsistencies in what products resorts and hotels are selling

And you'll find a number that can be handy as an internal tool to gauge you're own performance over time, but one that is virtually impossible to accurately compare to any other individual or group of properties.

The Biggest Challenge

There's an even bigger challenge, however. One that makes those inconsistencies feel small in the grand scheme of things. Because conversion rate is missing the most important, glaring, and critical number of them all: revenue. Your goal isn't just to get more transactions, it's to get more revenue. Conversion rate can tell you

some helpful things, but it's critically important to remember that conversion rate is based solely on transactions.

Ironically, some of the things that will increase your conversion rate will actually decrease your total revenue. On the flip side, some of the things that will decrease your conversion rate will drastically increase your total revenue.

It's this relationship between conversion and revenue that we'll dig into next. The first step in that process is better understanding the role of products in your conversion rate.

Chapter 2

Resort Products, Price, and Conversion rate

Which means that conversion rate isn't just about what visitors you're trying to convert, it's about what you're trying to sell them.

And, one step further, the mix of products you sell. Sell 10% activities at 90% tickets and your average conversion rate will be wildly different from someone who sells 90% lodging and 10% activities even if you're selling the same tickets and lodging at the same price.

Get people to realize that conversion rate varies wildly by product type and product price.

Get people to realize that conversion rate varies wildly by product type and product price.

If you only put these details in your booking engine, however, no matter how you start

This lack of consensus is massive in the context of comparison. For example, let's say that you hear a competitor of yours has a conversion rate of 5% and you know that your conversion rate is 3%.

Now you may think this resort is crushing it, but what if they're only using booking engine visitors in their calculations and you're using all website visitors and booking engine visitors? We know that only a small percentage of website visitors will make their way to your booking engine, so if you were to use this smaller number as your denominator, your conversion rate - at least as it relates to them - could be 10% or higher.

Challenge #2 - Public Numbers, Private Methodology

Which leads us to the second challenge: we simply don't know how most marketers are measuring this number. We don't know how measurement is handled at all the hotels in that "hotel conversion rate" benchmark you saw in an article, we don't know how it was handled in those case studies we read, and we don't know how our competitor across town handles this. Someone may drop the random conversion rate number to the curious public, but without the rest of the story this number is meaningless.

They think they're getting one message, but that message is far from accurate or meaningful. At the end of the day, it comes down to two key factors.

- Comparison
- Revenue

Comparison

Unless you're the slowest runner in a

Now, if you've ever started at the back of a pack of 10,000 racers, you'll know that
As some of the slower runners fell off the back of the pack, I found myself passing
runner and after running.

I learned two things that day. First, the timer for each runner doesn't start until
they cross the start line. Second

What's nice about starting way behind everyone else, however, is that you're likely
to spend the first few minutes of the day passing runners. I was in my mid 20s, was
fairly athletic, and, again, had put in a bit of training which meant that I spent the
better part of 30 minutes passing other runners. I was elated. By the time I crossed
the finish line I was sure I would have b

few years ago I ran a 10k as

Get people to realize that conversion rate doesn't account for revenue.

A few months ago I was shooting the breeze with a fellow marketer. The conversation meandered through just about everything - our alma maters' woefully average sports teams, the choking smoke from the fires in California, the endless energy of our children - before finally landing on a topic near and dear to both our hearts: ecommerce.

And more specifically, ecommerce conversion.

This marketer, like other marketers, was looking for a boost. He felt that his conversion rate was too low. He'd seen various numbers around, done some mental math, and decided that the average of those was somewhere higher than his. So I offered a few cheeky suggestions.

"Well, you could measure it differently so it looks better. I mean, just use booking engine visitors as your denominator instead of website visitors. Or you could discount everything you're selling by 20%. Or you could stop selling expensive stuff and only sell cheap stuff."

Confused, this friend replied, "the first idea wouldn't make a difference, would it? And the others are probably going to mean I make less revenue, right?"

To which I replied, "precisely."

Measuring Conversion Rate

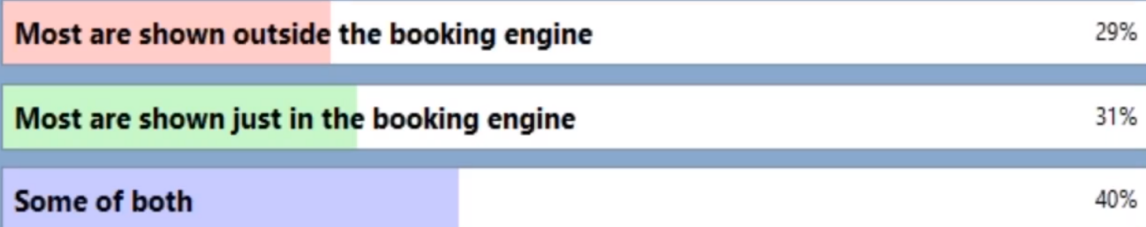
There are many misconceptions around conversion rate that play into marketers' perceptions of this metric, but one of the biggest is the fact that most marketers think everyone else measures conversion rate the same way they do. The reality, however, couldn't be further from the truth.

In a session at our annual conference, Insight, I polled the audience to learn how they measure conversion rate. Here are the results from roughly 70 responses.

In other words, your conversion rate could be 10% and your competitors conversion rate could be 10%, but whether or not you're actually looking at the same number calculated the same way is a coin flip. There's just as good of a chance this comparison is meaningless as there is that it's meaningful.

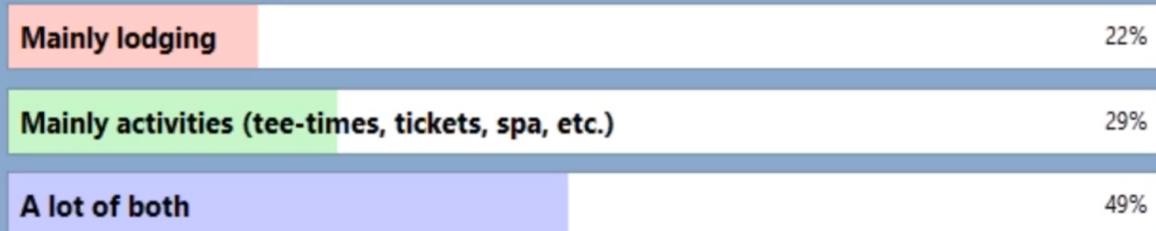
How many product details (prices, policies, photos, etc.) do you show outside of the booking engine?

Poll Results (single answer required):



What types of products do you sell?

Poll Results (single answer required):



Friction

Avoid it, but what if it helps.

Do basic math, but then dig into specifics in upsell chapter.

Conversion rate looks at how many people buy something

But it doesn't tell us - how much they spend

Would you rather have 10 people pay you \$100 or 2 people pay you \$1,000?

If you've been around marketing or technology circles for a while, you'll likely hear a reference to the term "sacred cows."

Why not conversion? We asked ourselves the same thing.

In fact, that's where this started.

But along the way we realized that's too narrow.

Even worse, it's killing resorts' abilities to grow revenue.

We'll talk about it a lot, but there is way too much focus on conversion. The best way to increase it? Sell cheaper stuff. Seriously.

Interestingly, the things that will actually increase your revenue will almost surely decrease conversion.

Friction. We avoid it at all costs,

but what if that things that causes a decrease in conversion adds value in other ways?

We get this from things like liability waivers at ski resorts

It's a hassle to do online, but the downside (maybe a couple fewer purchases) is smaller than the upside (staff that do this all day)

Only bad if it decreases conversion and nothing else changes

IF it increases revenue but decreases conversion, what you have to do is the math: was the increase in revenue greeter than the decrease in transactions?

Purists would say "but, we want the smoothest experience possible"

True, but at what cost?

Vistaprint - very very likely to still buy,

But also very like to buy something else.

Why, because, conversion

Depends on products

Visual scale

Depends on how you measure

Everyone measures differently, stats from the session

Depends on season

Higher at some times than others

Doing something wrong? No.

Need to fix something? No.

And when you mix those together, you find

What's better? Revenue.

Part I - The Situation

Conversion Rate Challenges

- Common misconceptions
- Common mistakes
- What conversion doesn't tell us

Addressing Guest Behaviors

- Traditional packaging
- Asynchronous booking
- Dynamic packaging
- Conversion rate vs behavior

The Power of Upsells

- Success in other industries
- Data and insights
- The one thing to remember

Part II - The Gameplan

Products

- What to sell
- When to sell them
- How to sell them

Channels

- Online fundamentals
- The role of your call center

Other

- Payment strategies

If that sounds intriguing, keep reading.

The best way to grow revenue is sometimes to decrease conversion, and the reaction to that sentence is exactly what's holding many resorts back.

Two one liners:

- Packaging: Let people book how they want to book.
 - Oh they want to book separately? Let them.
 - Oh they want to book together? Let them.
 - Oh they want to book a package? Let them.
 - We tend to generalize behaviors and force everyone to do the #1 most popular at the time.
- Conversion: The best way to grow revenue might be to decrease your conversion rate.
 - And if that sounds backwards, you may be missing the boat on conversion.
- Security
- Packaging?
 - Single sign on - single receipt - confusing customers
- Make guests log in first, no multiple accounts

Conversion

Why not conversion? We asked ourselves the same thing.

In fact, that's where this started.

But along the way we realized that's too narrow.

Even worse, it's killing resorts' abilities to grow revenue.

We'll talk about it a lot, but there is way too much focus on conversion. The best way to increase it? Sell cheaper stuff. Seriously.

Interestingly, the things that will actually increase your revenue will almost surely decrease conversion.

Friction. We avoid it at all costs,

- but what if that things that causes a decrease in conversion adds value in other ways?
- We get this from things like liability waivers at ski resorts
- It's a hassle to do online, but the downside (maybe a couple fewer purchases) is smaller than the upside (staff that do this all day)
- Only bad if it decreases conversion and nothing else changes
- IF it increases revenue but decreases conversion, what you have to do is the math: was the increase in revenue greeter than the decrease in transactions?
- Purists would say "but, we want the smoothest experience possible"
- True, but at what cost?

Vistaprint - very very likely to still buy,
But also very like to buy something else.

Why, because, conversion

- Depends on products
 - Visual scale
- Depends on how you measure
 - Everyone measures differently, stats from the session
- Depends on season
 - Higher at some times than others

- Doing something wrong? No.
- Need to fix something? No.

And when you mix those together, you find

What's better? Revenue.

Packaging

They book differently

Some still want packages.

We can do all of it.

The Power of Upsells

Already exists in every industry:

- Grocery store, milk at the back so you buy the rest
- Amazon, buy that book oh you might want these jeans.

Work with customer behavior

- You don't go to the grocery store and buy a pre-chosen bundle of cereal and milk
- They just make it easy to buy both

Their card is already out, they just book.

They are already shopping for similar things.

Revenue per transaction increases faster than conversion rate decreases.

Products

Sell more

- Your products
- More of your products
- Partner products
- More of your partners products

Other

- Insurance, Buddy

Payment

Options are required in this day and age.

- Mobile
 - When a client adopted paypal? Huge numbers.
- Pay over Time
 - When a client adopted Affirm? Huge numbers.

Online

Great, Make it easy to add everything.

Start with one product, but add more.

but, there's a limit with complexity.

Call Center

Call center is great with complexity. You don't need a lot.

- Limit by amount in cart.
- Great at upsells.
- Great way to drive confidence in purchase.

Asynchronous Buying

Let them buy what they want to lock down now.

Grab the rest later.

Beyond Conversion

How do you increase revenue?

Not by increasing conversion.

It's by selling stuff that might actually DECREASE conversion but increase revenue / visitor.