

HOTEL BONANZA

A FAIRER WAY TO SELL AND BOOK ACCOMMODATION ONLINE

NOVEMBER 2016

A laptop screen displays the Hotel Bonanza website. The website shows a search for 'LONDON, CENTRAL LONDON' with 1,234 results. A map of London is visible on the right side of the screen, with several red location pins. On the left side of the screen, there are listings for hotels, including 'Hotel Bulgari' and 'Hotel Bonanza'. The background of the slide is a blurred image of a person's face and hands.

**Our mission is simple:
to create a fairer model
for accommodation providers
and consumers.**

We have more than 6,000 properties on board already,
encompassing luxury hotel groups, independent hotels, holiday homes,
apartments, guesthouses and campsites.

High Commissions

The Problem

High commission rates ranging from an average of 15% but up to 30% are making it difficult for properties to make a profit.

The way consumers book accommodation has changed and some guests will even extend their stay online while sitting in their hotel room instead of booking it direct at reception.

According to an article on travel news website Skift in July, forecasts show that Priceline Group, which owns Booking.com, and its main competitor Expedia, will control 94% of the online booking market by 2020.

Almost every property says they are angry about the high commission, but that they do not have an alternative.



Our Solution?

**Hotel Bonanza will charge a fixed
rate of just 8% commission.
There are no extra costs.**

Cost Comparison

Average Hotel Room

£100

Per Night

*

Based on a 3* property
in London

Average Commission*

15%

Equal to £15 per booking

*

Conservative estimate -
Many properties now pay a basic
commission of 18%

Hotel Bonanza

8%

Equal to £8 per booking

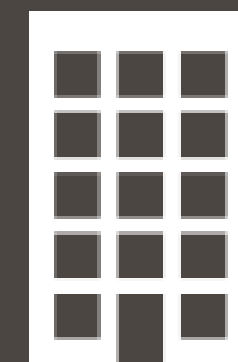
Total Saving

47% / £7
per room per night

Cost Saving

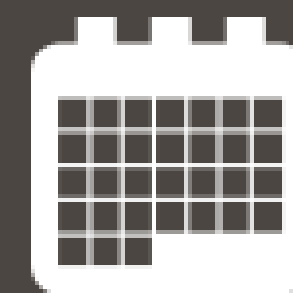
Average Property Size

50 rooms



Average Annual Occupancy

80% / 292 days



Saving per night	£7
Rooms	x 50
Nights	x 292

Total Saving
£102,200
per hotel, per year

OTA Search Results Ranking

The Problem

The only way to be guaranteed a high ranking is to pay yet more commission.

Other factors that affect your ranking such as conversion rates are hard to improve when your property is not listed on the first page.

Misleads consumers as they have no idea the 'preferred' properties are simply paying more money.



Our Solution?

We will not charge more money to be ranked higher and will use an algorithm heavily weighted on proximity to search location.

Reviews

The Problem

Most properties get a mixture of good and bad - this is expected.

However, some reviews are inaccurate, unfair or simply malicious.

It is extremely difficult for properties to get reviews removed, even when they can prove they are not fair or accurate.



Our Solution?

A genuine and honest review system that consumers trust but one that also listens to properties' concerns.

Rate Parity

The Problem

Rate parity is a nightmare for properties, particularly as OTAs are allowed to insist that properties do not sell cheaper on their own websites. Price discrepancies can lead to emails threatening to drop that property to the bottom of their search rankings.

Our Solution?

**We will not ask for rate parity.
Properties should be able to sell for
whatever price they like on their own
website and on Hotel Bonanza.**

The Channel Manager Conundrum

Channel manager connections are simply essential and have been by far the biggest obstacle.



Positive:

There is a huge appetite among accommodation providers for a lower commission rate and a fairer way of doing things.



“ We can’t tell you how happy we are to see somebody take on the likes of Booking.com and Expedia. We will support you all the way – where do we sign up? ”



“ This is so long overdue and we love your idea. Well done and we will spread the word. ”



“ I am so happy to see somebody thinking about the accommodation providers at last. We will be signing up now. ”

Our customer value proposition?
A better deal for everyone.

Bonanza Membership: The Inclusive Discount

We will offer consumers a 5% discount on every room they book for an annual fee of £10. This will be paid for by us, not the accommodation providers.

Our membership scheme is different because the discount applies to every property, not just a selection.

Consumers will make a saving straightaway if their booking costs more than £200.

No rate parity combined with our low commission rates will mean some properties want to offer our members a further discount.

The Future

**We see Hotel Bonanza as
a credible alternative to Booking.com and
Expedia with fairness and transparency at
our core.**

A dimly lit hotel lounge with a red tufted sofa, a round coffee table with a gift, and patterned armchairs.

Thank You

HOTEL BONANZA