



Oregon Tour & Travel Alliance Receptive Tour Operator Workshop

November 2, 2017

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I. About Bonotel Exclusive Travel & Receptive Operators

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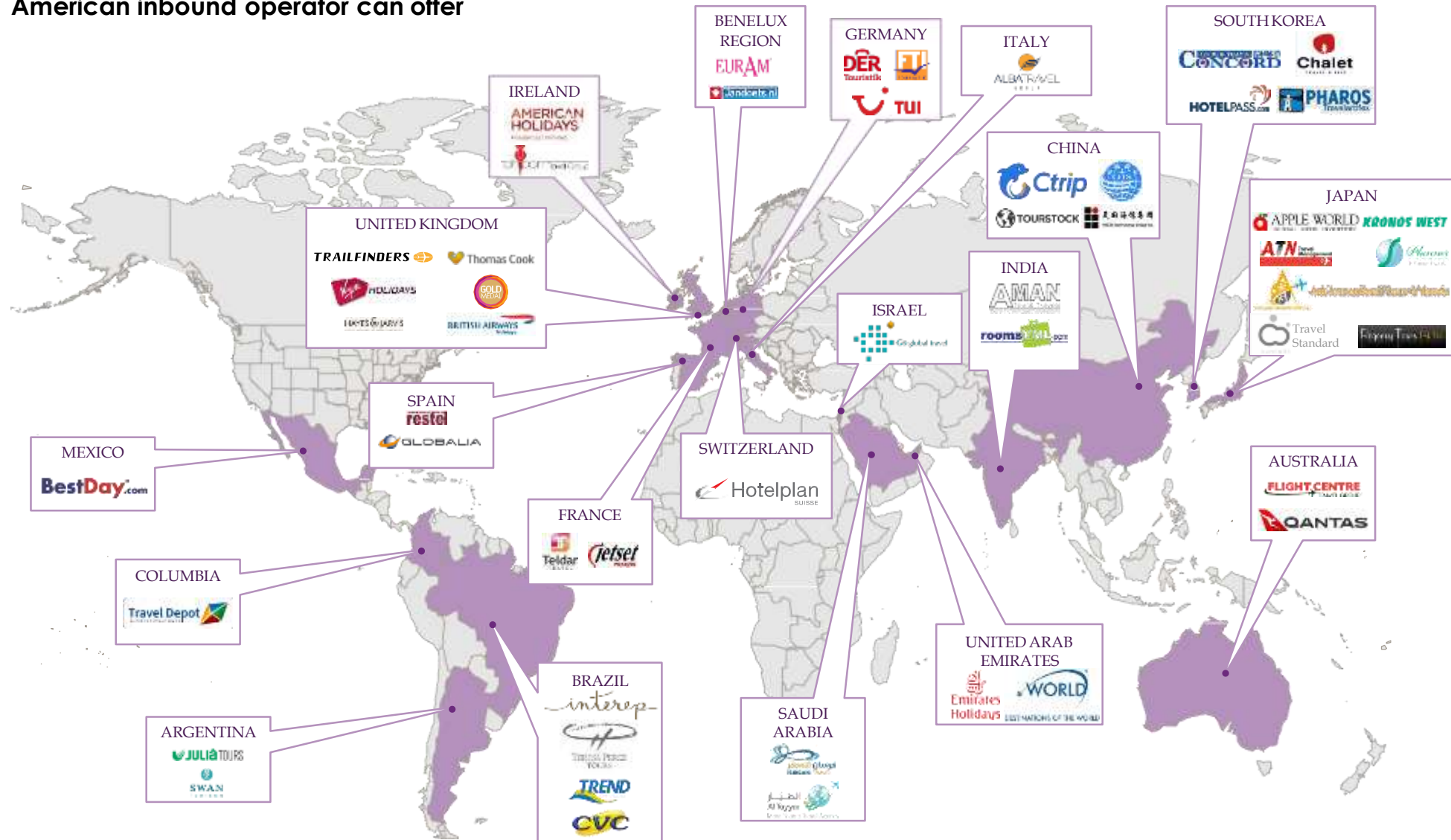
Our Unmatched Offering Of Luxury Hotels in Addition to Our Global Network of Top Customers Allows Us to Stand Out from Pack



Source: Company

Bonotel Continues To Expand Their Global Reach

Bonotel uses its marketing capabilities and direct access to its high value international client base, spanning 6 continents and ~61 countries, to instantly provide its hotel partners with global scale that no other North American inbound operator can offer



Source: Company

Note: Data is as of year-end 2016; Clients displayed are illustrative, not all inclusive

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Why Work With a Receptive Operator?

Receptive Operators offer hotel partners a unique value proposition and a global distribution footprint

SERVICE	PROVIDES AN EFFICIENT PLATFORM FOR INSTANT GLOBAL DISTRIBUTION <i>Bonotel's long-established access to international distribution partners allows hotel partners to avoid costly sales and marketing expenses</i>
	REMOVES COUNTERPARTY / CREDIT RISK <i>Hotel partners receive payment from Bonotel, removing the need to collect from international clients</i>
	DEVELOPS UNIQUE SALES & TARGETED MARKETING PLATFORMS HOTEL PARTNERS <i>Provides global access for small hotels, while eliminating costly sales & marketing efforts</i>
	STRATEGIC PARTNER PROVIDING CONSULTATIVE SALES <i>Bonotel partners with its hotels to provide business intelligence analytics, sales & marketing solutions, and market intel</i>
DISTRIBUTION	ACCESS TO INTERNATIONAL CLIENTS <i>Fills rooms with "hard to get" international travelers with more advanced booking windows and longer length of stays than U.S. domestic travelers</i>
	FOCUS ON EARLY ROOM FILL <i>Valuable for hotels that would not otherwise be able to achieve high occupancy rates, particularly in their off-seasons</i>
	PROTECTS BRAND IMAGE / CREATES PRICE OPACITY <i>Opaque distribution (package prices obscure rates for individual components) allows Hotel Partners to clear inventory and maintain rate integrity</i>
	INCREASED UTILIZATION OF HARD TO FILL LUXURY SUITES <i>Effectively markets and distributes luxury suites (under exclusive agreements) that would usually remain vacant, driving higher utilization</i>

Why Work With a Receptive Operator?

Side by Side Comparison
RTOs vs OTAs

Category	Expedia/Booking.com	RTOs
Average cancellation rate	40% (Booking)* 28.3% (Expedia)	6.2%
Average Lead Time Booked	60-75 days	90-100 days
Average booking commission for independent properties	35-40%	20-30%
Percentage of bookings that are "incremental"	5%	90%
Likelihood of guest sharing data post-check in (Scale of 1-10)	2	7
Length of stay	1.8 nights	2.9 nights
Connectivity/automation	Seamless automation	— Larger RTOs offer XML into existing CRS system — Extranet with allotments allows RMs to yield with better control
Key advantage	Ability to generate bookings in need periods	— Build early base to grow ADR sooner — Replace group business if it's falling short
In a nutshell...	"Band Aid" bookings don't lead to any kind of loyalty	— Identify future trends and ability to "yield up" — RTOs are selective and more likely to find audiences that will like your hotel



II. International Market Update

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2018 Top Markets Outlook –United Kingdom, Germany, and Australia

United Kingdom continued economic uncertainty has hindered travel to the US since Brexit

- The customer base is buying lower star rated hotels.
 - The exchange rate for the pound versus the dollar has become unfavorable for the traveler.
- Delayed booking window due to exchange uncertainty
- Guests seeking best value options for their stays to be enticed to book longer stays and upscale accommodations.
- Secondary destinations draw an increased interest.
- The shock of November 2016 election of Donald Trump as worn down for most and do not consider this a hindrance to travel moving forward.
- Increased affordable lift to new (Non-US) destinations (New Zealand and South Africa) combined with more favorable exchange rates will be continue to be a factor.

Germany

- Exchange rate is the determining factor for 2018 production, as operators are predicting a potential decline if no improvement in favor of the traveler.
- Increasing concerns from the market due to frequent natural disasters and general safety apprehensions.
- USA overall still considered a top destination for travel.
- National Parks and areas around parks continue to yield high interest and demand.

Australia has continued to be a surprise performer

- An increasingly favorable exchange rate has created an increase for travel to the US.
- Large diversification of destinations within the US aside from Las Vegas. We've seen large growth from Flight Center, Qantas, and Excite in the Pacific Northwest.

Opportunity in 2017 and Beyond Still Exists – Asia, Middle East, and Volume Producers

Middle East

- Large tour operators and airlines such as Emirates, Ethiad, Anna, and Qatar are the big players.
- Booking window begins after Ramadan and extends through end of summer.
- Travel window is after Ramadan through end of summer.
- This offers the chance for last minute bookings.
- Need hotels aligned with receptive operator if they want Middle East business – tour operators are going to direct to the hotels and are being given the same rates.
- Top destinations include Los Angeles, New York, Orlando, Bal Harbor for leisure and Chicago, Boston, Houston, and Baltimore for medical stays or destinations with major universities.

Asia

- Cox and Kings, Haumin Tourism, Apple World, HIS, and Hotelpass are the key operators.
- Booking window is major Asian holidays such as Chinese Day, White Day, and Chuseok.
- Travel window is typically 30 days prior to arrival with summer being peak travel.
- We are breaking barriers to create opportunity in Oregon by working with high end operators in China.

Volume Producers

- Top customers include Excite Holidays, Hotelbeds, Go Global, Met Global, and Restel.
- Bookings trends vary across the calendar year as they distribute to countries all over the world.
- These operators offer the best chance for last minute bookings and volume for the remainder of 2017 and all of 2018.



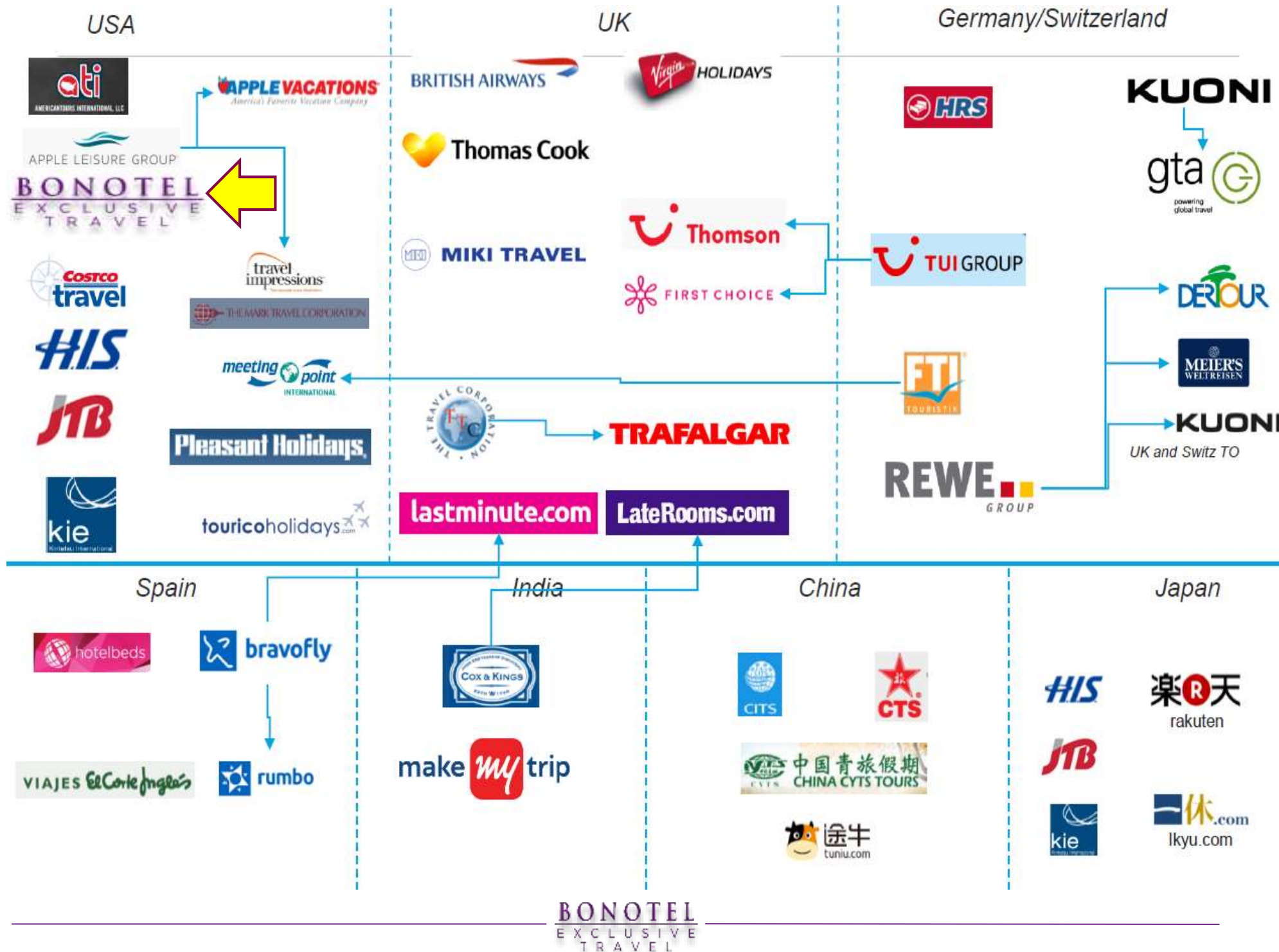
III. Is My Hotel Ready to for International Business and How Do We Select the Right Partner(s)?

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Are You Ready for International Business?

- Aggressive rates discounted off BAR year round.
- Protect Bonotel's rate integrity against B2C and OTA distributors; specifically for advance purchase rates.
- Promotions: given current market conditions, rate driven promotions (i.e. discounts, night free) are proving more effective than value added offers.
- Early release of contracts for following year to capture early bookings; early booking bonuses (EBB).
- Dynamic rate availability at least 12 months out at all times.
- Availability: replenish static allocations throughout the year, provide premium rates opposed to blacking out high demand dates.
- Commitment to tradeshow IPW, IATA, NAJ, or Go West.

Choosing the Right Partner



Negotiating Your FIT Contract

- Determine whether you'll have a static, dynamic, or dual agreement.
 - Static Contract - paper contract.
 - Needed to satisfy German client base and small operators that cannot book dynamic rates.
 - Dynamic Contract - floating percentage off of BAR .
 - Hotels rates and inventory are fed to operator via channel manager such as HBSI, SynXis, Rate Tiger, Travel Click, Derby Soft, and more.
 - Hotel manages this connection and discounts can fluctuate.
 - Dual Contract – combination of static rates and dynamic rates.
 - The end customer receives which ever rate is lowest rate.

Other Important Contractual Terms

- Cutoff/release shouldn't exceed 14 days and is typically ranges 3-7 days.
- Cancellation policies range between 3-7 days and can be seasonally based.
 - Some operators can also load non-refundable rate plans if a deeper discount is available.
- Entry level room types are most frequently booked however some operators such as Bonotel also prefer to load and sell upgraded and suite categories.

Communicating Pricing to Your Customer

- Communicate with market manager periods of need and develop a plan to based on their customer needs to fill rooms.
- Keep in mind business is booked 2 – 6 months in advance and while last minute opportunities do exist, proper planning is a must.
- Communicate stop sells on original contract and send periodically as compression arises at your hotel.
 - Most operators prefer premium rates over complete stop sell because longer stay bookings will automatically return a no availability if only one date is blacked out.
- Seasonal and weekday/weekend pricing is acceptable.
- Promotions should have a booking window of **minimum** 1 month in order to properly communicate and market in B2B environment.
- Best promotions in order:
 1. Deeper discounted rate (can be based on length of stay)
 2. Free Night
 3. Complimentary guaranteed upgrade
 4. Complimentary breakfast



Marketing Approach – A Partnership With A Purpose...

Destination of the Month Approach

- Using online media, email blasts, and tour operator/Bonotel sales team webinar.
 - Webinar to kick off the month with purpose to expand upon the sites, sounds (music scene), drinks (craft brew and coffee), and food
- Further educate customers on Neighborhoods, Things to Do, Places to Stay, Places to Eat, and Events. Use the tools from destination websites to get your point of view across to our expanded network of tour operators and travel agents in the international market place.
- Differentiate Atlanta from other emerging US destinations such as New Orleans, San Francisco, Monterey, and Boston using the modes of Things to Do, Places to Stay, Places to Eat, and Events etc.
- All rolled out to targeted source markets in addition to carefully procured hotel deals Bonotel has secured during Destination of the Month Feature and month directly after feature. This gives our customers two months to review information disseminated.

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SAVE UP TO 25% IN NEW ORLEANS [LEARN MORE](#)



The French Quarter, New Orleans

Life in the Quarter centers around New Orleans' most famous landmark, Jackson Square. Guests can walk the beautiful gardens inside the square, make a wish as they toss a coin into the fountain and take an iconic New Orleans photograph.

The creative culture of the Quarter is embraced by the collection of fortune tellers, artists and musicians who surround Jackson Square. Just across the street is the famed Café de Monde, serving up beignets and café au lait 24 hours a day, seven days a week.

What to Do



Every street in the French Quarter has something to offer from classic restaurants, music venues, boutique shopping to voodoo temples. Some of the most popular areas include: Royal Street, Chartres Street and Bourbon Street but no trip to the Quarter is complete without a trip to the historic French Market for souvenirs.

A variety of guided tours are available covering topics such as haunted, historical, culinary and even cocktail. Many visitors choose to explore the French Quarter using the neighborhood's original mode of transportation, the mule-drawn carriage.

[2016 Event Calendar](#)

Where to Stay

Book Early for Low Rates!



W New Orleans - French Quarter

LUXURY HOTEL. Boutique hotel in the heart of the French Quarter, close to the best nightlife, restaurants and shops.

[Book this hotel](#)

Complimentary Breakfast



Hotel St. Pierre

BEST VALUE. French Quarter charm, featuring historically authentic Creole Colonial cottages surrounded by lush courtyards, pools and fountains.

[Book this hotel](#)

We feature over 30 hotels in New Orleans

[See More Hotels](#)

Destination of the Month Campaign

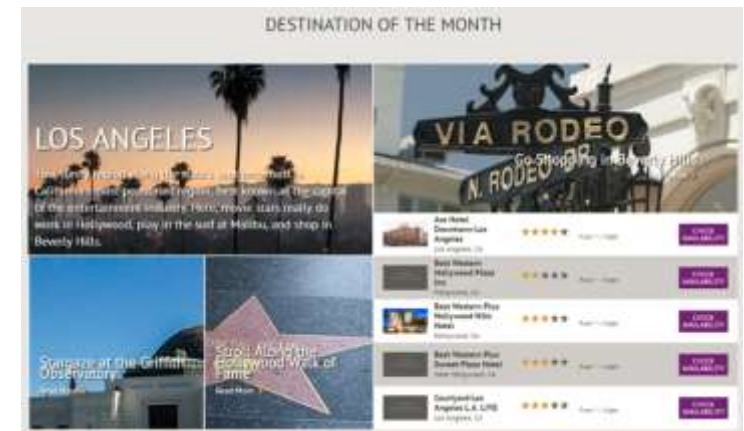
CVB & Partner Marketing

Bonotel has launched a *Destination of the Month* campaign, which is designed to highlight the best offers for hotels and activities in key destinations over their lowest demand periods in order to drive more business.

Each participating destination will be presented prominently through various channels approximately 1-2 months prior to their peak booking period, targeting need travel periods, for a duration of one full month.

We are offering key destinations the opportunity to participate in this campaign via the following channels of exposure:

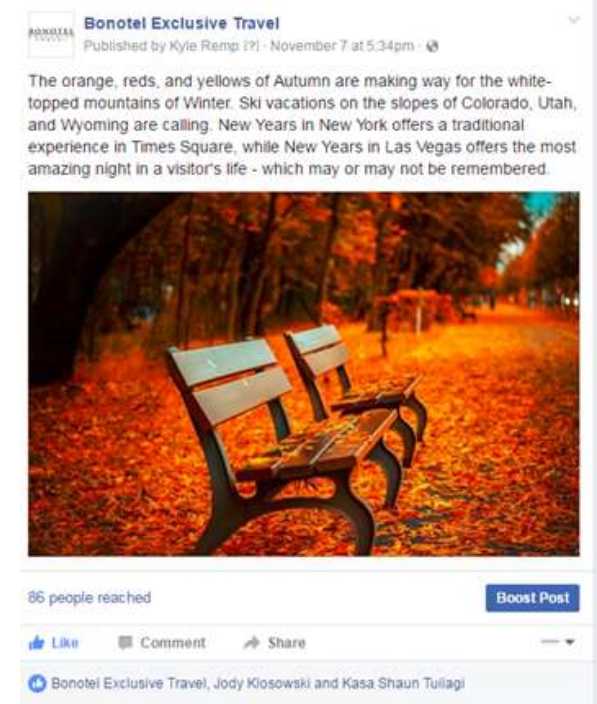
- Featured Online Placement
- Weekly Emails
- Facebook
- Webinar



NEW! Destination of the Month Campaign



Example Newsflash Creative



Email

Weekly Newsflashes sent to over 2,000 tour operators throughout the month specifically featuring your destination, hotels in the area, special offers and activities. Each newsflash can be translated into various languages (e.g. Spanish, Portuguese) and sent to specific markets to better capture target business.

Facebook

Promote your destination through Bonotel via today's top Social Networking service.

Supply us with an image and/or text content and we will post and encourage customers to book properties and activities in your destination.



Questions?



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Thank You

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