

Tech Innovation drives hotel distribution recovery

October 22, 2020



- 01 **Dynamic Market**
- 02 **Dynamic Customer Journey**
- 03 **Dynamic Digital Distribution**
- 04 **Technology become more important**



China Domestic Travel



Self Drive

Self Drive rental DAU
increase 50%
(Trip.com)
3-5 Days Trip



Travel Destination

Going West of China



Group Travel

Small Group and
Private Tour increase 100%



Travel Activities

Outdoor Attractions
Water Sports
Eco Travel

What Type of Dynamics in China?

- Destinations Change-
 1. In Country Destination Demand Change
 2. 2/3 of the travelers travel within local destination
 3. Destinations shift to the West region of China
- Age group - 56% 90s & 00s travel & 60% during the Oct Golden week
- Buying decision - Product and price sensitive
50% of bookings goes to Mid Range, 4-5 Star Hotels during the National holiday in 2020.

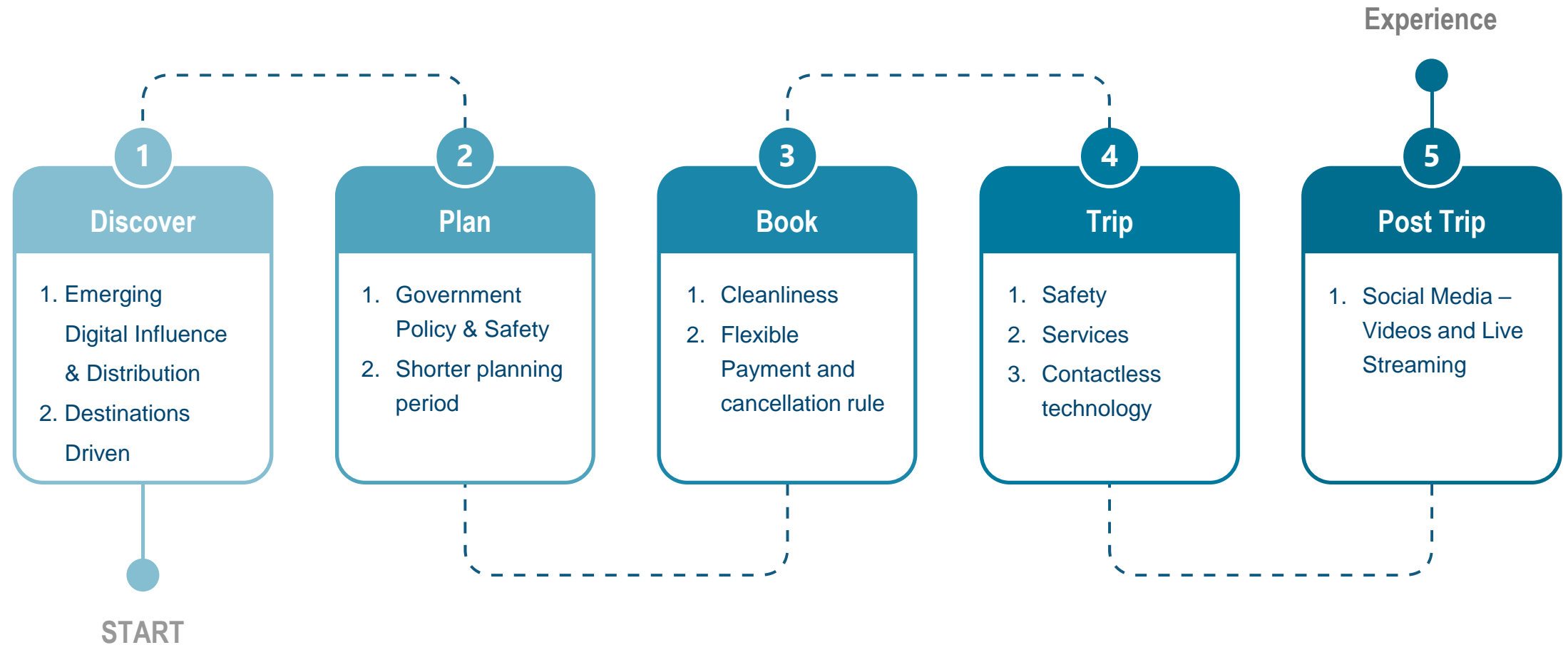
Top 10 travel destinations for summer vacation

- 2019 ranking of destination
- 2020 ranking of destination



Source: Trip.com 2020 cross province travel report,
Trip.com 2019 summer travel forecast report

2 – Dynamic with the Customer Journey



3 – Uptrend of Digital Distribution



Digital Distribution is one of the fastest growing online trends in China:

Among the digital landscape, **social lifestyle** and **live-streaming** medias are the hottest.

Uptrend digital distribution channels:

- WeChat Mini-Program
- RED
- TikTok

3 – Uptrend of Digital Live Streams



Trip.com

Total 25 CEO live streams, the record high of 8,000 nights worth of hotel bookings sold within a minute.

Own live-streaming platform with 5 Languages: English, traditional and simplified Chinese, Japanese and Korean.

CEO Live Streams Campaign covers total distribution:

1. Presale Hotels (Domestic and International)
2. Food & Beverage
3. Destinations tickets, tours
4. Merchandizes

3 – Uptrend of Digital Distribution

WeChat Mini Program



Social Sharing

Plan & Book

Best For:

Direct distribution, enable non-room product sell and membership integration

450 Million DAU

Xiaohongshu - RED



Social Sharing
Pictures & Videos

Discover & Book

Best For:

Inspiration and Viral Marketing. Launched hotel Booking function. Affiliate with Ctrip and Meituan.

25.77 Million DAU
63.7% travel decision influence

Tik Tok



Social Sharing
Video & Streaming

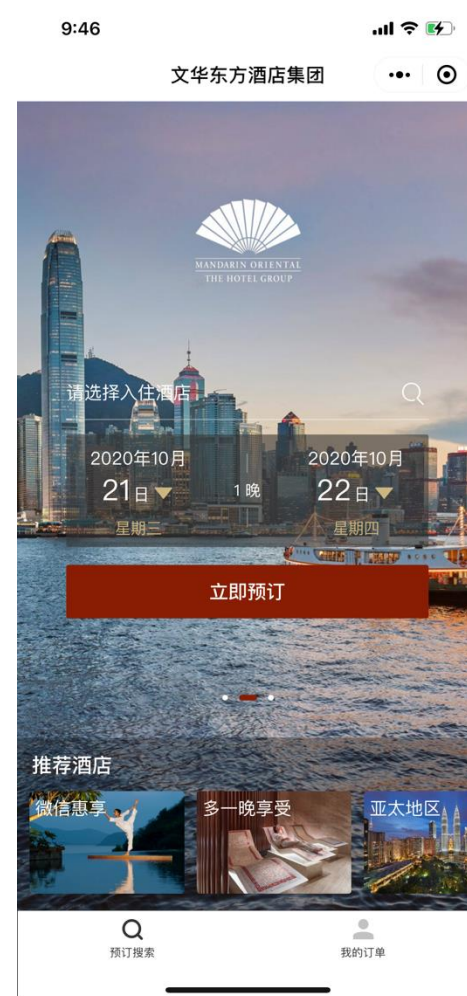
Discover & Book

Best For:

Inspiration and Viral Marketing. July 2020 - Launched Attraction ticket sale & hotel booking function.

400 Million DAU
56.5% travel decision influence

3 – Uptrend of Digital Distribution



Tencent WeChat Mini Program

- Mini programs on WeChat – An app within the app that gives the hotel and hotel group instant exposure to We Chat's one billion active accounts.
- Hotel Group and Hotels' direct sales and marketing channel.
- Enable Time to market product and pricing strategy.
- During the pandemic, hotel leverage the mini program to expand the revenue stream by selling non-room products. Such as: F&B, Business Center, Gym pass etc...

3 – Uptrend of Digital Distribution

Ctrip Flagship Store



Alipay Members and Hotel



Membership Matching Programme

- Hotelgroup launch membership matching programme with Trip.com and Alipay member program.
- The two companies launch a membership-matching programme, whereby members will receive a direct membership status match for the Hotel Group when joining through the flagship store.

3 – New Normal of Hotel Product Distribution

Total Distribution



Best For:

Non room revenue stream:

- Gym Membership, Business Center, F&B Presale and Delivery
- Hotel Merchandizes



Presale



Best For:

- Purchase travel packages or bookings in advance to be redeemed at a later date.



Midnight Hotel Sales

Best For:

Last minute distress inventory

Discover Customer Demand opportunities

For stay between 00:00 to 07:00am

4 – Hotel Distribution Tech become more important?



OTA HOTEL TMC OTHERS

What will face for the re-opening?

- 1) Re-opening with less staffs
- 2) New Operational SOPs
- 3) Dynamic Rate Change
- 4) More diversified products and channels distribution
- 5) Hotel systems data are still sitting silos

4 – Hotel Distribution Tech become more important?



OTA HOTEL TMC OTHERS

New capabilities to succeed-

1) Decision capability:

Support Dynamic time to market pricing decision and updates.

2) Partnership capability:

Support the capability to work with more local partners effectively.

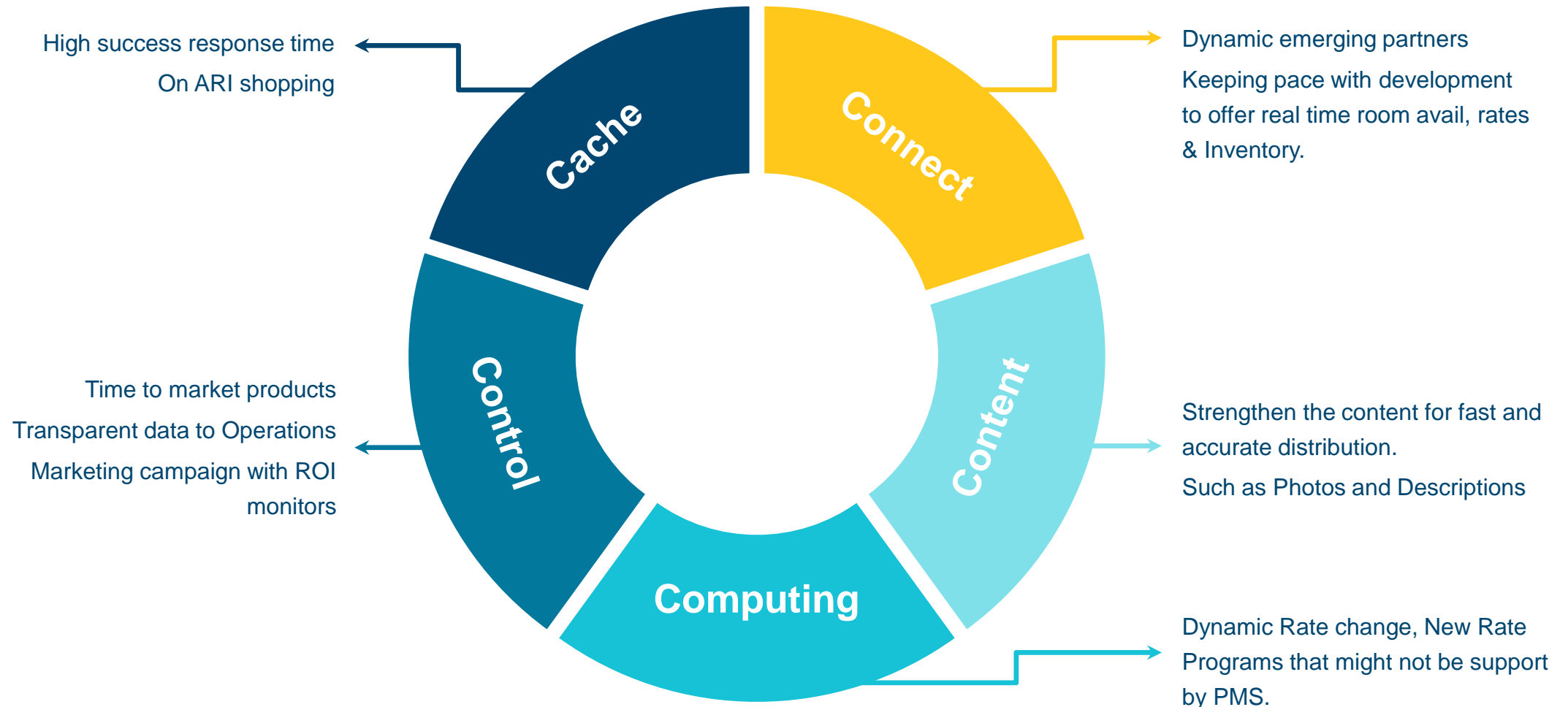
3) Technology capability:

Automate distribution process and significantly reduce average cost per booking.

4) Content update capability: More real time and dynamic hotel Information is needed

4 – Hotel Technology become more important?

Focus on core values and find right professional partner to do others.





Thank you!

DerbySoft is the Innovative technology company serving the global hospitality distribution industry since **2002**. A global company with over **400** employees throughout the United State, Europe, Japan and China with offices in six countries. The DerbySoft team consists of technologists who are excited by innovation to help partners achieve their goals, drive sales and increase revenue.

DerbySoft enables travel companies to work together through technology and innovation by providing high-performance distribution services to suppliers, distributors, metasearch engines and more to conduct digital commerce efficiently and effectively.



220,000

Global Hotel Partners
197 Countries



10,000,000

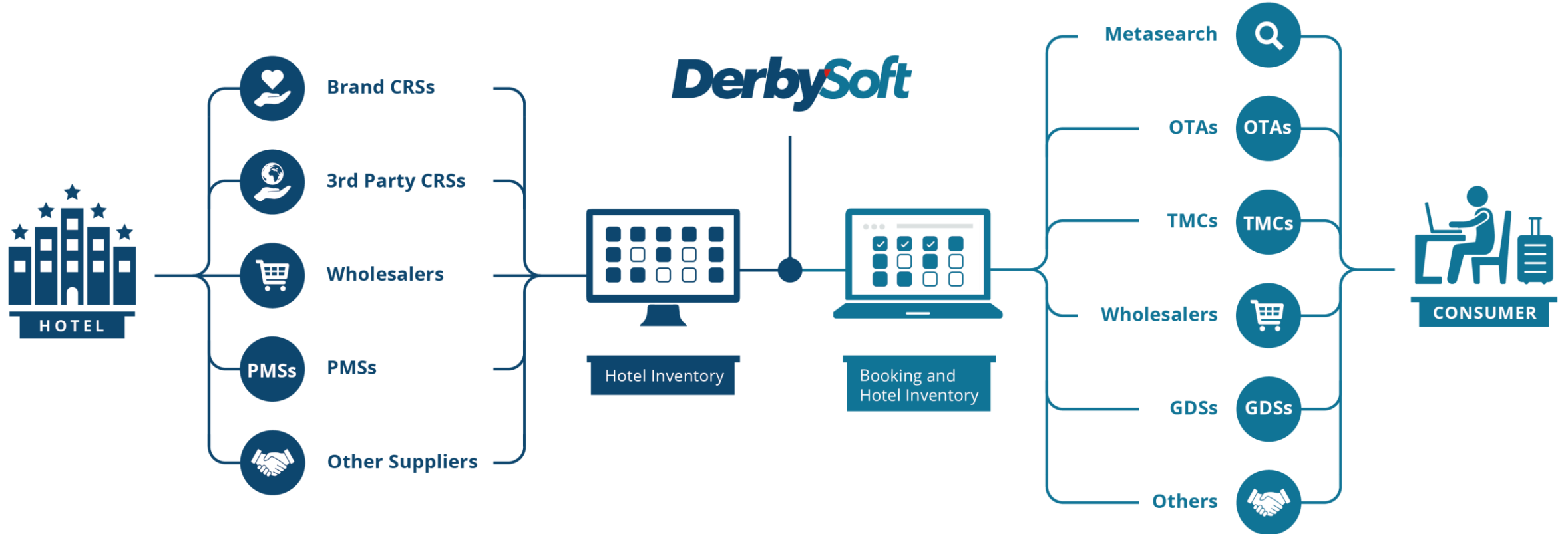
Monthly
Hotel Room Nights



450+

Ecosystem
Partners

4 – Make Travel Business Easier



DerbySoft

Thank you!

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