



Not just better. But different.

## Serenata Applications in Use:

- NetHotel Base
- NetHotel Central Profile
- NetHotel Central Reporting
- NetHotel Sales
- NetHotel SynXis (CRS) Integration
- Serenata BookHotel (since 1999)

## Lindner Hotels & Resorts Expand the Internet Booking Channel and Decrease Reservation Costs

Lindner Hotels & Resorts has built a sophisticated technological base with Serenata NetHotel and BookHotel with the aim to connect all Lindner Hotels & Resorts with a centralized CRM solution and to build a platform for central reservations.

In addition to automating the sales process and centralizing the key account management, as well as enabling guest recognition across all touch-points in any of the Lindner properties, another major objective was to expand the internet booking channel to increase the number of online bookings reserved via the Lindner website ([www.lindner.de](http://www.lindner.de).)

The economic reckoning behind this aim is simple and straightforward. Traditional online booking channels charge approximately 8 to 12 Euros per reservation. GDS reservations cost as much as 15 to 20 Euros per booking. Furthermore, these bookings usually require significant manual revision for proper entry in the PMS, which amounts to an additional process cost of approximately 2 to 3 Euros per booking.

Contrary to that, the hotel group incurs no transaction costs or commission for BookHotel reservations arriving via the Lindner website. What is more, since the reservations are written directly into the respective PMS, there are virtually no process costs to speak of. BookHotel only incurs support and maintenance fees. Broken down on the booking volume in 2004, for Lindner this resulted in a variable cost per booking of roughly 2 Euros.

Andreas Krökel, Member of the Board Operations & Marketing, explains: "If Lindner manages to channel an additional 10 % of bookings through our corporate website, this will result in 35.000 Euros more yield for us, purely from saved transaction and process costs."

With the relaunch of the Lindner website in summer 2004, Lindner introduced a quick booking option directly on the Lindner start page. Guests simply enter their arrival and departure dates, pick the hotel of their choice and are immediately shown available room types and rates. This allows users to book rooms with a minimum of mouse-clicks. At the same time, Lindner ensures last-room availability and rate parity on their

website. This is a basic requirement for gaining customer confidence and making guests come back.

A recent study by Cornell University showed that prices offered for one and the same room by various online channels, the hotel group's website or when directly calling the hotel, differed by up to 20 %. Another dramatic finding was that online channels returned rooms as unavailable in 25 % of the requests, when in fact, a direct channel showed that the rooms were available. This means lost business for the day and in the worst case, may result in a customer lost for life.<sup>1</sup>

Simply by guaranteeing last-room availability via selected online channels, Lindner could consequently, based on industry standard conversion rates, generate up to another 100.000 Euros in revenue, and at the same time avoid turning guests away unnecessarily.

Lindner ensures real-time availability on their website and, what is more, with the myLindner platform, offers a central customer area with login and password. Members and their preferences are recognized chain-wide in any Lindner hotel. Moreover, members can even book their preferred corporate rates online. As a member of myLindner, companies do not need to re-enter their contact information, enjoy a quick booking process, and receive an instant automated confirmation e-mail.

Andreas Krökel affirms that the myLindner platform is very attractive for corporate customers, since it ensures that all users book the negotiated corporate rate.

"An increasing number of organizations are using myLindner," adds Krökel. In order to navigate more traffic through the corporate website, Lindner has announced several additional marketing activities focusing on cross marketing campaigns with high-profile partners, such as LTU, N-TV, Germanwings, ADAC, etc., who command great online competence and shop competence in the internet. Individual offers tailored to these diverse partners were created and set up via BookHotel. They are exclusively available

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to the target groups and can be booked via [www.lindner.de](http://www.lindner.de). This includes exclusive rates only bookable in connection with a valid plane ticket of the airline partner or a special offer exclusively available to members of the ADAC (the German Automobile Club.)

Krökel elucidates: "For the aggressive marketing of low season times, we have organized a wealth of promotions with our now 40 large brand partners in the past months. Without BookHotel and the integration with all other NetHotel modules, this professional implementation would hardly have been possible. Thanks to the positive experience that we were able to gain with our marketing campaigns and of course thanks to the economic success of the promotions, we will now consequently pursue this strategy and continue to particularly promote the sales and booking channel [www.lindner.de](http://www.lindner.de) in this marketing mix."

Andreas Krökel summarizes: "In 2004, we were able to increase our online bookings dramatically, incoming bookings via our website went up by 100%. This resulted in a higher average rate and reduced process costs for Lindner. For the future, we would like to keep to this growth path and channel more and more business through our website.

Another goal of the hotel group is to use the Serenata platform for gradually integrating leading electronic booking channels with automated real-time connections. This would further reduce process costs and ensure rate parity and last room availability across all booking channels.

The current market conditions are in favor of this strategy. As a study recently released in [hotelmkt.com](http://hotelmkt.com) shows, the German online market is expected to continue to grow in the range of 60% annually through 2006.<sup>2</sup>

<sup>1</sup> Cornell Hospitality Research, January 2005: *A Comparison of Hotel Room Rates and Availability across Booking Channels*

<sup>2</sup> [www.hotelmkt.com](http://www.hotelmkt.com), 4 February, 2005: *Online travel makes big inroads in Germany*

## The Mission

To significantly increase the number of internet reservations and to pilot a large percentage of these online bookings through the Lindner corporate website, since the process costs for these bookings are minimal compared to traditional distribution channels such as GDS and CRS. The aim is for the internet booking channel to reach approximately 20% of all bookings, half of which should come through the Lindner website, powered by Serenata BookHotel.

## The Scenario

Lindner has been using Serenata BookHotel to enable online bookings from the Lindner website successfully for many years. Each property can be booked independently from either a summary booking page or the detailed booking page of the selected property.

Online bookings increased, but there were two major drawbacks:

- Users had to search through the Lindner website to find the online booking option.
- Frequent guests were bound to individual hotels and were not able to book chain-wide for all Lindner hotels.

To connect all Lindner guest profiles with a centralized CRM solution and to build a platform for seamless integration with all booking channels, Lindner implements the Serenata NetHotel product suite in the summer of 2003.

## Best Practice

Once the technology is implemented, Lindner announces the strategic relaunch of their website to communicate the new possibilities to their customers. The highlights are:

- A **Quick Booking** option directly on the Lindner start page enables quick selection and reservation of any Lindner hotel.
- The **myLindner** concept offers a central customer area with login and password. Members and their preferences are recognized chain-wide in any Lindner hotel. What is more, members can book rooms online in any Lindner hotel, at their preferred rate.

## Return on Investment

In 2004, the number of online bookings arriving through the Lindner website increased by 100%. The statistics display a marked increase after the announcement of myLindner and the Quick Booking option. As of June 2004, online bookings increased by an even higher margin than at the beginning of the year. BookHotel became the most significant online booking channel.

Since there are no transaction costs or commissions for BookHotel reservations over the hotel group's website and little to speak of process costs, this online booking channel turns out to be by far the least expensive. Savings can be as high as 15 to 20 Euros per booking.

Another interesting finding was that the rates booked over the website are equal to the hotel group's average rate and consequently are much higher than rates booked over other distribution channels, especially when considering net rates.

Munich-based **Serenata IntraWare GmbH** has established itself as a leading provider of central IT solutions in the hotel industry. With the aim to transform data into knowledge, Serenata integrates its products with existing PMS systems seamlessly. The core element is the management information system for hotel chains, Serenata NetHotel. By means of a central data warehouse and the use of Internet technology, data is centrally analyzed, and the foundation for new markets is created. With NetHotel, Serenata offers a Customer Relationship Management (CRM) solution, which enables hotel chains to develop a customer-centric business strategy. Through strategic cooperation with prominent IT partners, Serenata increases its competence as the main contact for central user-solutions from a sole provider. For more information, please visit [www.serenata.com](http://www.serenata.com).

**Lindner Hotels & Resorts** owns 20 four and five-star properties in Germany, Switzerland, and the Balearic islands. According to the motto "Lindner Hotels. Not just better. But different" each hotel presents its own style, which is reflected in the range of services and offers; for example, the first stadium hotel in Europe, the BayArena in Leverkusen, the only on-course hotel on the Royal golf course of Mallorca, or the only five-star wellness resort in Rhineland-Palatinate with a 5.200 square meter spa in the city of Speyer. For more information on Lindner Hotels & Resorts please visit [www.lindner.de](http://www.lindner.de).