

# How technology is helping South African hotels cut costs after the pandemic

According to Niels Verspui, market head of RoomRaccoon South Africa, adopting hotel management technology can lead to significant cost savings, all while boosting efficiency and increasing revenue. "Next-generation hotel management systems tend to be less expensive and require less up-front investment than their predecessors.

"Thanks to cloud computing and Software-as-a-Service pricing models, upgrading your system to a more user-friendly option is no longer as daunting as before and allows smaller hotels with a limited budget to remain relevant in an increasingly competitive market," comments Verspui.



Source: Supplied

"While hotels wait out the quiet winter months in South Africa, it is important to look at the role technology can play in helping cut costs, attract more bookings, streamline operations, and maximise revenue in preparation for the busy summer season," continues Verspui.

Here, Verspui breaks down three ways a hotel management system can help hotels cut costs while increasing revenue:

## Automation can help boost efficiency

Automation allows hotels to run their business with fewer resources and reduced budgets. An all-in-one Hotel Management System, or HMS, acts as a central control hub that coordinates various services and software, automating property operations while improving the guest experience. It's like having an extra employee for a fraction of the price!

The best hotel management systems offer a range of tools like reservation management, channel management, online check-ins, guest communication, revenue management, accounting and more. The entire system helps to increase productivity by reducing repetitive and time-consuming administrative tasks. This frees staff to focus on improving the guest experience and generating more revenue.

## **Decrease hefty OTA commissions**

Direct is best when it comes to bookings. For hotels looking to cut down on pricey OTA commissions and capture more direct bookings on their website, it is important to choose a hotel management system that includes integrated website booking engine software. Based on performance data by RoomRaccoon, hotels can enjoy up to 43% more direct bookings with a smart website booking engine – all commission free!

That's not to say that OTA's don't play a part in a hotel's sales strategy. Research by Expedia Group shows that 65% of travellers book directly with a property after discovering it on an OTA. To entice guests to book directly, hotels should consider booking engines with smart tactics such as special package deals and direct booking discount codes.

## **Reduce no-shows, card fraud and chargebacks**

It takes a lot of hard work to get your customers to the point of booking. The last thing you want is for something to go wrong and lose out on a potential sale. Using a hotel management system with an integrated payment solution can save hotels money by optimising the booking process, reducing no-shows, and decreasing the risk of chargebacks and fraud.

Another benefit of using an integrated payment solution is that hotels can process payments with 3D Secure and tokenisation, both of which are PCI-DSS certified. This not only makes your guest feel safe but reduces the chance of card fraud and chargebacks.

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