

PERSUASIVE RESERVATIONS:

SALES PSYCHOLOGY FOR
ACCOMMODATION



elina

WHAT IS:

SALES PSYCHOLOGY

SALES

Operations and activities involved in promoting and selling goods or services to consumers or businesses



PSYCHOLOGY

Psychology is the study of the mind and behaviour, how it works, and how it affects behaviour

SALES + PSYCHOLOGY =

How we determine how people make decisions emotionally whilst buying products or services. They decide based on a feeling, need, emotion, or factual information



Executive Summary

The purpose of this guide is to help hotels and accommodation providers to be more persuasive in leading to more reservations and revenue. If you apply these elements, you'll have happier guests that spend more. You just simply need to focus on sales psychology!

This is a guide to the principals that can help you secure more direct leisure and corporate sales. Apply these principals in your website, booking engine, emails and phone calls to get better results.

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PERSONALISE

EXCLUSIVITY

REASSURANCE

SOCIAL PROOF

URGENCY

ANCHORING

SCARCITY

INTEGRITY

VANITY

EMOTION



Modern technology provides us the opportunity to take advantage of personalisation. In today's day and age, it is common to be able to personalise our homepages, landing pages, forms, surveys, calls-to-actions (CTAs), emails and more. As a result content and messaging we exhibit should be tailored to people who are engaging with it.

Personalised experiences are preferred

Having tailored personalisation options for your content, gives people their very own experience when engaging with it. This leads to the customer having a feeling of being in control and that is valued.

Even if this sense of control the customer has is not fully real, it has a positive effect on the persons psyche. People who feel in control from an internal sense perspective (believing that they are fully in control of their life outcomes), are actually psychologically healthier which makes them more successful according to Psychology Today.

202%

is converted better from
Personalised Calls to Action

PRACTICAL TIPS



- 1** When the guest visits your website, say 'welcome Lucy' rather than 'login'. When Lucy turns up at the hotel, you can say the same 'you've arrived Lucy, welcome back' in the room or apartment
- 2** Last time you stayed you had breakfast, would you like to add breakfast this time? You often stay in the high floor studios, would you like one of those again? Showing people either what they booked last time, or what their favourite choices are first, shows you remember them and creates personalised experiences
- 3** When you message guests by email, SMS or messenger - use the name first to show it is not a generic message, even though it most likely is. Staying at accommodation is an involved experience and they know you have their details, so it seems okay to use them to improve the experience.

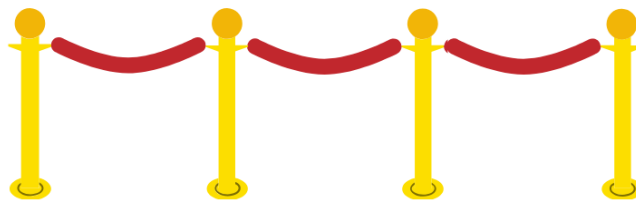
Example: Amazon recommends for you

One of the biggest online retailers, Amazon, is a perfect example of personalised marketing. Their 'response to buying suggestions' they offer to customers is said to generate an additional **10 - 30%** in revenue for the business. This means they recommend things you will like based on what you have looked at or bought - personalised for you.

02

EXCLUSIVITY

(it's for the few)



The pull when something is exclusive is exquisite. Just a few lucky people, or certain people will benefit – will you be one? The classic example is Nightclubs. We've all been there waiting in the cold or rain - not everyone will get in!

Exclusivity is a unique concept. Typically used to describe certain groups (e.g. luxury goods) or distribution practices. The term exclusivity is broad and carries common themes of limitations, restrictions, and connotations of lifestyle and social class. The idea around exclusivity is having the power to exclude and ability to limit possessions for single individuals or group.

The perception of exclusivity normally is associated with uniqueness and differentiation. For example, exclusive products maybe perceived to have some implicit or explicit difference from competing products that adds value to the consumers' perspective. Nonetheless, exclusivity often connotes luxury or elevated social status.

"CUSTOMER PERCEPTION OF EXCLUSIVE VALUE CAN ALLOW EFFECTIVE USE OF PRESTIGE PRICING."

Per Groth & McDaniel (1993, p. 10)

Groth and McDaniel's (1993) discussion on exclusive brands states exclusive products meet the criteria for exclusive value principles, which in itself offers exclusive features that may offer additional value to customers.

Example: Booking Genius

Booking.com – Genius programme. Everyone thinks they are special, and in reality (true at time of printing) dependant on country you just need to have made (not even stayed), just made between 2 and 5 bookings to access these special rates and inclusions. Something enjoyed by the many, feels like it is for the few. It's a large club that appears special.

PRACTICAL TIPS



- 1 Make certain packages or rates available to only a select audience. If guests have booked two or more times, give them an additional benefit, or make them part of a club, so the 'regulars' always get a drink per day on the hotel
- 2 Once people have booked tell them they have qualified for a benefit based on them, so for example they booked a need date, or they spent over a certain amount, they have qualified for a benefit. Guests will love this and as long as the benefits is enjoyed, you'll get more attraction and better reviews



03

REASSURANCE

(it's a good decision... really!)

We all want to avoid risk at different levels, and we like to think of ourselves as rational, even though really we are not. We need reassurance to make us feel safe in buying something. The more expensive the product, the more cuddling we need to say yes!

Reassurance is the action of removing someone's doubts or fears. A reassurance objection is the customer's way of letting you know that they have found what they are looking for and need a little reassurance to buy the product or service.

The key to reassurance is having the confidence and the skills to tell the customer that the price of your product or service is fair for the quality of the product that they are buying. Customers will take one step closer to establishing trust you if they have allowed to make that connection.

Customer or guest service is a great opportunity to build their loyalty by reassuring them and keeping them satisfied – in realistic bounds. Customer satisfaction should always be a priority in your strategy, as satisfied customers come back regularly and become advocates. Nothing reassures customers or guests more effectively than quality service. Transparency reassures consumers of your professionalism and quick response time is vital to remove their doubts.

65%

consumers have cut ties with a brand after one bad experience, and two thirds left to go to a competitor



PRACTICAL TIPS

- 1 Best price guarantee. If you will match the price, after all you are not paying commission on direct so why not do this, this is the easiest way to reassure future guests.
- 2 When you can cancel with no charge. Communicating when a reservation can be cancelled, reduces the risk for guest. This looks like your booking for this date can be cancelled with no charge up until one day before arriving.
- 3 Booking confirmation. Simply telling people that they will get a booking confirmation when booking online reduces the risk, or that they get a login to see their reservation, edit or cancel it. Everyone loves proof of purchase and being sure you will get this, helps push book.

Example: BPG

Best price guarantee, is the most widely used risk mitigation technique in the travel industry. Communicating that even if you book and find it cheaper somewhere else, that the company will match that price with proof. This enabling the booker to go ahead with peace of mind. Used by all big online travel agencies.

04

SOCIAL PROOF

(Your friends love this - it is popular!)



Popularity is following the crowd and doing what everyone else is - because it's safe. This is what most of us do most of the time. Show how popular you are and people will flock to you.

Over the years social proof has gained importance because customers are becoming more informed all the time. The power of social proof is based around our innate psychological tendency to use the wisdom of the crowd to influence our own decisions. It is all about making the audience connect with the persuasiveness of an idea or behaviour to how others are responding towards it. This is the reason why we all are drawn towards the best-selling books, highly rated restaurants and businesses that have many satisfied customers. This also leads to created norms, as it is hard for people to go against these behavioural expectations. You convey to your customers that purchasing your product or service is the right and safest decision – many businesses are already using social proof to increase their audience's desire for their product or service. You can also reference your past customers, which is another way to apply social proof.

To makes things clearer, there are **5 types of social proof – with the psychology behind them:**

1. Testimonials: commonly used form of social proof, as this provides a direct and reassurance response to customers which helps influences their decisions
2. Endorsements: earning a valued review from a respected thought leader
3. Social media signals: customer testimonials and feedback from trusted peers
4. Badges and Logos: these offer a visualization way of associating your company with other reputable businesses, consisting of; industry accreditations and awards, websites that feature your content, business partners, past clients, or security certifications
5. Reviews: compile social proof of past customers which allows consumers to base a decision on the quality of the product or service from others

16%

increase in conversions of
Trustboxes (Trustpilot) on
Revel systems site

Example: Booking.com reviewers 'like you'

Posting guest reviews on your website is a good display that others like them have booked and enjoyed their stay. More reviews means more social proof. Having reviews by type of guest, such as family, couple or business is something Booking.com did early to help bookers identify with the types of guests that stay the property.



PRACTICAL TIPS



- 1 Implement a reviews widget onto your website, which shows reviews your accommodation has from brands like Tripadvisor, Booking.com, Expedia, that have volume and make sure guests can do their research on your website. The more reviews you have, the more clear it is how many people have stayed, building social proof
- 2 Social media plug ins. bring online comments and posts into your website, showing how people are talking about ad experiencing your accommodation
- 3 Endorsements - if a newspaper, or a known source has made a comment or written a review or statement, use that to show how an authority has been and experienced your accommodation



05

URGENCY

(time is running out!)

Applying time based pressure helps us to make a decision. If we have more time, if there is no deadline, why do anything? When we go to book a ticket for our favourite band we have just 15 minutes to complete, or someone else could get that ticket!

Urgency in marketing is one of the best ways to make more conversions and sales. You need to be able to create anxiety to your audience with the idea that your product or service maybe not available in the future. Here are the some tips on how to create urgency in marketing:

1. Offer something people actually want. Urgency works when people want the product or service
2. Set a deadline – if potential customers know there isn't a rush to purchase what you are offering, they are likely to delay their time, become putt off, or just forget about it. Creating an incentive to take action by running your sales and offers for a limited time would really help catch customer's attention.
3. FOMO (Fear of Missing Out) – the scarcer the product or service is, the more people want it. By highlighting how scarce your product or service is, or even creating an illusion that it's about to run out – you are leading people to purchase what you are offering before it 'runs out'
4. Use the right words – compelling call to action can make a difference whether your audience make a purchase or click away e.g. hurry, one time only, last chance, before it's gone, clearance, today only, limited time, don't miss out
5. Use numbers – numbers are a great way to get attention as it makes the offer more attractive e.g. just 5 more left in stock!
6. Warm colours – colours and psychology is deeply linked. Research from HubSpot found that using warm colours = red, orange, yellow – creates a sense of urgency for your call-to-action buttons. Cool colours like blue and green have been found not so effective at getting users to interact online
7. Customise your offers – create urgency driven offers seem more compelling by personalising them e.g. track the pages or items that visitors are viewing on your site, and offer discounted rates that are relevant to their interests
8. Powerful subject lines for your emails - for your marketing emails, you need to be able to create words in your subject lines that establishes sense of urgency such as vivid action verbs
9. Offer a bonus incentive – providing people with incentives along with potential offers, they are likely to react fast. For instance, offer free shipping for a limited time, or a free gift with their purchase

+ 9%

increase in revenue due to a addition of a small countdown timer, showing how much time was left for next-day delivery



PRACTICAL TIPS



1

Time left to get a deal. Just 4 hours, 32 minutes and 15 seconds left to book this room at a discount of 20%, or to get the room with our free extra-large comfy sleep easy T-Shirt. Using a time to close the book is a great idea. They might be perceived annoying, but used right for people who want to buy a book, they work

2

Number of rooms left. Communicating you have just one room left to book, or two, makes people want to confirm their booking. This is due to FOMO on that great room, deal or just because they need the room in that location on that date

3

Market availability. Telling the looker if the area is busy on that date communicates urgency. If it's busy for a reason, perhaps they should get booked!

Example: Amazon countdown timers

Amazon use urgency a lot. Count down timers to inform how long is left until next day, or now same day delivery, gets people to click buy. If they want that purchase and they can have it now, or wait, gulp...another day. The pressure is self-imposed from people who just can't wait.

06

ANCHORING

(creating a point of reference. Oh so it's only that much?)



Framing, or anchoring, is a powerful tool that can bring positive associations, or give a context that brings perspective which encourages a purchase or reduces buyer apprehension. This is a brilliant tool when pricing online on your website or through distribution channels.

What is price anchoring? Anchoring is a cognitive bias describing the common human tendency to heavily rely on the first known piece of information they receive (known as the "anchor") when decision making. This occurs when individuals use an initial piece of information to make subsequent judgements. As soon as the anchor is set, the human brain makes adjustments based on that anchor.

The key to price anchoring and use it to your advantage, is that you have to be first (even if you are at a higher price.) If your price is higher than what your customer is willing to pay, they will still use your given price as a reference to base their buying decisions.

Ever wondered why you're charged a penny less of the next whole value - £69.99 rather than £70.00 for the Amazon Echo Dot? This is price framing - changing the context of a price presentation without changing the price itself considerably, to encourage more purchases.

80%

think that TopLine growth through pricing is the biggest driver of future profit growth, as cost reductions become less feasible (2017 Global Pricing & Sales Study)

Example: The Economist up sales

The Economist – when 100 people presented with the three options (print \$59, web only \$125) 84% chose the print and web option. Removing the middle option, from 100 other people then just 34% choose print and web only. The middle option framed the highest price as the best value.



PRACTICAL TIPS



1

Value selling. Be sure to have a really fabulous expensive room that makes our other rooms look like really good value. So show a suite or upper room category at all times. A double room or studio might be £99 a night whilst the Suite or Deluxe Apartment is £379. Wow that Double room or studio is decent in price

2

Exceed expectations. For long stay requests, set initial price high as an estimate. Then calculate the actual price, be precise and bring the price down. For example, 6 months, that could be £24,000. This precision and difference make it seem correct and also good value

3

If you have extra services, you want to promote such as spa treatments, think about it like this: Two nights with breakfast £149, Spa day for two £249, two nights with breakfast and spa day for two £249. *Which one would you choose now?*



07

SCARCITY

(it's in short supply, so get it whilst you can!)

If we believe something might not be available anymore, all a sudden we want it much more. Even if before we were not that interested. This is driven by our competitive nature and the desire not to miss out and let others get something better.

The principle around scarcity is that objects become more attractive when there are not many of them. It is assumed that because others appear to want something, and is short in supply, it has to be valuable.

Psychologists refer this tendency as the scarcity technique. The scarcity heuristic is a mental shortcut that places a value on an item based on how easily it might be lost, especially to competitors. The ultimate idea around of scarcity is that the more difficult it is to acquire an item, the more value it has.

SINCE NOVEMBER 2006

48 MILLION

WII'S WERE SOLD WHEN NINTENDO CAUGHT UP WITH THEIR DEMAND

PRACTICAL TIPS

- 1 Display when you have just a few rooms, apartments or rentals left to book for those dates
- 2 Make extras or upselling in scarce supply. Consider offering just five room upgrades in March for a flat fee of £25. That is much more powerful than saying £25 for a room upgrade
- 3 Use free inclusions to sell more, but limit the giveaway. For example offer a free bottle of wine for the next 10 direct bookings. It's only for the next 10 though, after that the deal is off the table
- 4 Offer some rooms at one price level, so say just 5 more double rooms left at £89, forward communicating the price will go up for some

Example: Budget airline seats

When booking flights, all airline websites, such as Ryanair and Easy Jet will say how many tickets are left at that price, so for that flight at the time, just 3 tickets are left at £34.95. What they don't say is what the price will be when that tier of pricing is sold out. How much will it be then? If there is just 1 ticket left at that price, then we are even more compelled to buy it now to avoid the higher price.

08

INTEGRITY



(Be honest. Share your values. Actions match promises)

Building trust takes time and you can build it faster through being considerate of your prospective customers. Being open and transparent is helpful and customers are always wary of being deceived. Show your actions match what you are offering and be specific where it matters. Talking about the values your company holds is a good start. Then upholding them and demonstrating them is the real test.

Trust worthy, dependable, and honest – three things needed to be a successful sales person. The key to understanding integrity is how it can be lost in the first place. The aim is to consistently sell with integrity.

Strategy 1: Create a 'do & don't' list

Commitment is priority in order to sell with integrity. By deciding what you will and will not do to get a sale is important, as without being firm and actively committed to refrain from unethical behaviour, it is likely for you to lead to temptation. Creating a 'do not' list would help note down the actions you will not perform and help you commit to them e.g. I will not lie. The ultimate aim here is to decide what should be on your 'do not' list. Documenting a list is highly recommended as it helps you read it and keeps fresh in your mind, helping to not to lean towards temptation in decision-making.

Strategy 2: Be authentic!

When sales people start pretending to be someone else, thinking they are able to secure deals, buyers will pick up on this due to the lack of genuineness. This would also lead to buyers feeling betrayed and distrust. The key point here is be yourself always and this helps build trust between you and your customers or guests which benefits both in the long run.

Strategy 3: Have congruency between your words and behaviors

If a person's words are not congruent with their behavior, then it is evident there is a lack of integrity. It is important to make sure your claims about what you are selling are accurate and what you are saying matches up. This has scientifically proven to increase revenue, which shows it is not only the right thing to do, it helps too.



PRACTICAL TIPS



- 1** Make your booking terms and conditions easy to understand. Make them clear and easily available when customers are making a reservation
- 2** If you take a deposit, then communicate when and how the customer will get it returned and in which circumstances they may not
- 3** Be clear about any extra charges for processing payment and whether there is a lower cost way of paying. For example, if it is cheaper to pay on certain cards, let the person know this so they can decide
- 4** Make your values stand out and make them consistently find-able in your marketing touch points, so customers know what to expect and look for

Example: Zappos is their name, service is their game!

Zappos, the online clothing retailer, put values up-front and centre for all of its staff and customers by promising 'wow through service'. Zappos made it happen by making returns easy and free when that wasn't done. Sales boomed and they made a successful exit to Amazon.



09

VANITY

(We all want to feel good about ourselves!)

When we buy something, we want to feel good about it and on a level we all hope the people that matter in our lives think it was a good decision and that they think more positively about us. If we get a great deal, our partner might say well done, if we get a product in short supply, friends might be jealous. Buying products or services is driven by vanity when it's not an essential purchase.

According to consumer scientists from University of Southern Illinois, Jane Workman and Seung-Hee Lee, vanity is one of the key driving aspects that forces consumers to 'throw' more of their hard-earnings on high-end branded items. It is likely that the more you care about impressing others with your appearance, the likely it is to overspend. The more focused you are on your own thoughts, feelings, and how you portray yourself, the more you will search for a recognizable status.

A principle of social psychology, social comparison theory, submits we are constantly evaluating ourselves in relation to others. On the other hand, downward social comparison proposes you make yourself feel better by showing your more fortunate than the less-fortunate. Brand sensitivity proposes that brand names is something of desire to some, and is important for them in the process of decision-making whilst purchasing.

APPLE WAS RANKED NUMBER ONE FOR THE COMPANY
THAT PEOPLE ARE MOST EMOTIONALLY CONNECTED TO,
BY **+ 33%**

Example: The most popular phone = iPhone

iPhone is the most known example. We perceive iPhone's, or even other Apple products, as the best status symbol because they are the most expensive. In industry survey's they are not considered to be the best phone but actually have less features and spec. iPhone's cost the most and have over 50% share in the global smartphone market! We think we are more attractive when we own an iPhone.



PRACTICAL TIPS

1

Find something you are the best at and communicate that. Do you serve the best most organic jam at breakfast, have the biggest beds, the fastest wifi, the most sumptuous dressing gowns and slippers, then tell the booker so they can feel good about it

2

Make it clear how they are getting the best deal when booking directly and how that is, allowing them to be confident in knowing they were smart enough to get the lowest price for their stay. Their friend and family will be happy

10

EMOTION

(Connect with the customer through
your 'why')



We want to believe that purchasing a product or service is rational and on some levels it is, but it's also very irrational – the reason we buy is anything but logical. Plus, bringing happiness into your marketing and communicating your who and why, before your what and how will bring more success.

In reality, emotions greatly influence our everyday decisions, especially when purchasing. According to Antonia Damasio, professor of neuroscience at the University of Southern California, argues that emotion is necessary element to almost decisions. During decision-making scenarios, emotions from previous and related experiences affix values to the options we are considering. This leads to preferences created and then to a final decision. Damasio study was based on the view of people's connection between 'thinking' and 'emotional' areas of the brain. They were capable of rationally processing information about alternative choices, but were not able to make decisions due to the lack of sense of how they felt about the options.

Emotions are the primary reason why consumers prefer branded items. A brand is portrayed as a mental representation of a product in the consumer's mind. If the representation consists of only the item's attributes, features, then there isn't emotional links to influence consumer preferences. The higher the value placed on emotional content of a brand's mental representation – the more likely the consumer will be loyal.

EMOTIONAL SELLING THROUGH **ADVERTISING** RESULTED
COST TO RETURN ON PAY PER CLICK ADS WAS THE
MOST SUCCESSFUL AT **28%** WHEN FLATTERY AND
PROMOTION WERE COMBINED TOGETHER

Example: John Lewis storytelling magic

John Lewis, whom seem to have mastered the art of storytelling at Christmas, have had a brilliant campaign each year since 2014. In that year, sales in the first week jumped 17% and they sold £18 million worth of Monty the Penguin merchandise.



PRACTICAL TIPS



1

Remember to share 'who' you are clearly, so for example 'Norwegian owned cabin rentals across Norway since 2001', or a 'Fresh boutique hotel for creative guests'

2

Bring happiness into your website and booking engine, by showing quotes from happy and guests, using smiley emoticons, images of happy people and using some happy colour such as bright yellow, yellow green or orange. Consider how to do this without affecting your branding

3

Let guests know why you do what you do. We run this hotel, because 'we love art and it gives us a living breathing art gallery with people visiting all the time', or 'we love cooking and so we've made our kitchens the best for cooking when you stay in our apartments, with recipe books and a cooking club as well!'

About Elina

Elina is a brand run and owned by Vestibule Marketing Ltd, serving mixed accommodation, serviced apartments and vacation rentals around the world!

We provide **software, digital marketing and websites.** Vestibule Marketing Ltd owns Elina PMS the cloud software, part of our property management platform.



Our purpose?

Vestibule Marketing Ltd helps hotels and accommodation to be better at marketing and innovation

Elina PMS is the 'marketing powered' property management platform

Elina (trademarked) is the brand we use for our software and services

How we help

"Accommodation providers are really good at servicing guests. The problem is they have little or no time to do marketing. This is why big OTAs like Booking.com, Expedia & AirBnB have done so well and now control most reservations. In any business the two most important elements are marketing and innovation. Other functions are there to support these two. We help hotels and accommodation do these two things much better!

We give the small guys a chance against the big guys! Hotels should be able to control and own the guests data and experience, whilst building a sustainable brand and growing in a way they want. That comes through being stronger at marketing through affordable and easy to use tools, with helpful services."

Want to see what our software can do for you?

www.elinapms.com

Want to talk about your persuasive reservations goal?

Chat to us: elinapms.com/about-us/contact-us/



UK Telephone: +44 (0) 20 305 17 305
US Flag US Toll Free Telephone: 1 866 782 4682



elinasales@elinapms.com



twitter.com/ElinaPMS



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