The Hotelier's Guide to Modern Upselling

Elevate your revenue game with 19 data-backed strategies to boost upsells at your hotel.



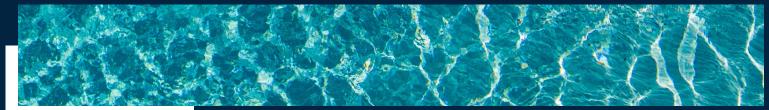






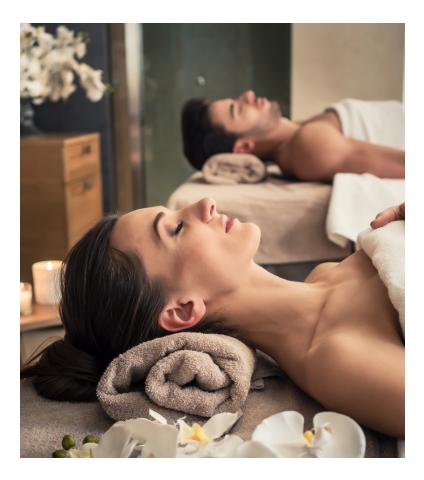
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The Untapped Opportunity of Upsells

e've all been badly upsold in the past. Your hotel check-in is nearly complete and you can feel it coming: the pause, the intake of breath, the rehearsed, "Would you like..." You know you're going to politely refuse — the front desk agent knows it, too. So, they reply with a quick: "Yep, no problem." And that's that. Upsell opportunity over.



An ineffective upsell strategy puts more than just ancillary revenue at stake, it cheapens the guest experience. Many guests would jump at the chance of a room upgrade or added spa experience if offered it the right way (and yes, there is a right way to upsell). Done thoughtfully, these delightfully unexpected experiences can lead to glowing five-star reviews and generous word-of-mouth recommendations that boost your reputation and bottom line.

Ready to stop wasting key opportunities to grow revenue and increase brand awareness? Keep reading. The upsell industry is full of untapped potential, ready for the taking, and we'll show you how to do it well.



Upsells: From Afterthought to Necessity

Upselling hasn't always been top of mind for a lot of hotels. This is especially true for limited-service hotels. But even luxury hotels use antiquated tactics that leave guests and hotel owners wanting more.

This lack of focus on upselling isn't because it doesn't work. On the contrary.

In recent years, 30% of the hotel industry's \$450 billion annual revenue came from non-room revenue—in other words, events and upsells.¹

The truth is, upselling presents hotels with tremendous opportunity. The industry as a whole has the potential to double (or even triple) its upsell revenue. In 2022, Skift and Oracle² reported that 49% of hotel executives expect non-room revenue to represent an increasing share of their hotel's annual revenue in the next three years as more hoteliers prioritize curated experiences.

The best part about upsells? They tend to be high margin. Selling room upgrades or early check-in and late checkout are nearly all profit so this revenue goes straight to your bottom line.

Of course, not everyone will purchase an upsell. But with the right strategy, staff training and technology, you'll find that "no, thank you" turns into "yes, please" more often.

Sky-High Sales: Upsell Lessons from the Airline Industry

When it comes to upsell success stories, look no further than the airline industry. Much like hotels and room revenue, airlines made a good chunk of their money from seat revenue. In the early- to mid-2000s this changed. In an industry of fierce competition, increased security measures, rising fuel costs and tight margins, seat revenue was no longer enough. Airlines realized that to stay on top, they needed to start upselling extras like early boarding, upgraded seats and checked bags.

And it worked! In just ten years, airlines increased their upsell revenue 662% a whopping **\$110 billion came from upsell** revenue in 2019.³ For some low-cost carriers, upsells now account for the majority of their revenue.⁴ In 2021, Spirit generated **54% of its revenue** from upsells.⁵





of hotel revenue comes from non-room revenue



Big Picture Revenue: Rooms and More

racking room revenue is vital for ensuring your business stays competitive. But these days, your room pricing strategy should include two key metrics, so you can see the big picture: Revenue per Available Room (RevPAR) and Total Revenue per Available Room (TRevPAR).

So what is this TRevPAR? Can you use it to your benefit? And how different is it from the standard revPAR. Let's compare:

RevPAR

How to calculate RevPAR:

Rooms Revenue ÷ Rooms Available Average Daily Rate x Occupancy Rate

RevPAR is a key performance indicator measuring the total revenue generated by your hotel per available room over a specific period. Calculate this by dividing the total revenue generated from room sales by the total number of available rooms during that period.

or

TRevPAR

How to calculate TRevPAR:

Total Revenue (rooms + upsells + group business) ÷ Total Available Rooms

TRevPAR, expands on RevPAR by providing a comprehensive view of your hotel's total revenuegenerating potential. It also considers not only revenue from room sales but also upsells.

The more amenities and add-ons your hotel has to offer guests, the more complicated TRevPAR becomes. But there are benefits to taking TRevPAR in your stride. Put simply, it creates a fuller picture of your profitability.



Every Hotel Can Upsell – Yours Included



et's pause for a moment. Perhaps your hotel doesn't have a restaurant or a fancy spa and you're now thinking: how on earth am I meant to upsell with limited amenities? Conversely, perhaps your hotel has a spa, three restaurants and a bar but you're not upselling them as well as you'd like.

If there's one thing we want to make clear, it's this: upselling is suited to every hotel, big or small, no matter the number of amenities available. It's not just for luxury hotels and resorts. Succeeding with upsells is about tailoring your offers to your guest demographic and then learning to sell them at the right time. How you sell will depend on your property amenities and the types of guests you serve.



Limited-Service and Extended-Stay Hotels

imited-service and extended-stay hotels have a big opportunity on their hands. Why? There's been a longstanding misconception that these properties don't have enough to upsell. The data backs this up. Over the past 10 to 20 years, **only 3% of limited-service hotel revenue** was from non-room revenue.

Fast forward to 2024, and the tides are turning as hoteliers get more creative with their upselling strategies. Savvy limited-service hoteliers have increased their upsell revenue from the measly 3% of yesteryear to 10% to 20%, a 3-7x increase!

And as we've seen from the low-cost airlines, there's still room to grow. Irish airline, Ryanair, offers low base rates but charges guests for extras like snacks and seat charges. In 2023, the airline earned €3.8 billion⁶ in ancillary revenue, an increase from €2.1 billion in 2022. That equates to €22.80 per passenger.

If you're a limited-service property facing tight margins, take a page from the low-cost airlines playbook. Consider charging for the extra things guests want and you historically gave away for free.



increase in limited services upsell revenue in recent years

Room Upgrade Examples

Unsure what you have to offer guests? Start with room upgrades. Many limited service properties don't think they have room upgrades to sell. But guess what? Many guests will pay to pick a room on a higher floor, facing a certain view, or further from the elevator. It's similar to how most airlines now charge guests to pick a seat. Here are a few room upgrades you can offer at your limited-service property:

- > King bed
- > Larger room or bathroom with a tub
- > Specific views (courtyard, ocean, etc.)
- > Higher floors
- > Further from an elevator or stairs





Add-on Upsell Examples

Outside of room upgrades, limited-service hoteliers commonly claim they have nothing to upsell since their property doesn't have amenities, like a restaurant or spa. But what if we told you guests are willing to pay for early check-in and late checkout — and in doing so you could make thousands more per month. Intrigued?

The fact is many guests are willing to pay for more time in their room. And when a guest checks out late, that means you're incurring higher operating costs and have less time to turn the room over for the next guest. According to Canary data, limited service hotels typically charge \$15-35 for early check-in and similar amounts for a late checkout.

Here are a few of the most common add-on upsells to offer as a limited-service property:

Limited Service Add-ons

- > Early check-in
- > Late checkout
- > Baggage storage
- > Parking (location depending)
- > Non-perishable snacks and drinks
- > Pet fees
- > Discounts on local attractions



How One Limited-Service Hotel Drives \$6k in New Upsell Revenue per Year with Canary Upsells

When searching for better ways to meet guests' needs, Clarion Pointe Greensboro Airport went all in on Canary's total Guest Management System. Not only did the seamless digital technology improve the guest experience, Canary Upsells generated enough revenue to pay for itself in just a short time. Using Canary, the family-run business has driven \$6,000 in new upsell revenue per year.

"Canary's total Guest Management System including Contactless Checkout, Contactless Check-In, Guest Messaging, Digital Upsells and Digital Authorizations — already pays for itself from the ancillary revenue we drive through the Upsells solution alone. We're optimizing our offers and sales strategies all the time to increase revenue for the hotel."

– Rushi Patel, General Manager, Clarion Pointe Greensboro Airport

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Upscale Properties, Luxury Hotels and Resorts

W ith more amenities and services available to advertise, upscale, luxury, or resort properties often generate more non-room revenue. For example, resorts typically generate over 50% of their revenue from non-room revenue.⁷

So, what do these hotels and resorts offer guests? Here's a sample:



Room upgrades

- > King bed
- > Balcony
- > Ocean/garden view
- > Bigger bathroom with tub
- > Room with jacuzzi
- > Deluxe rooms or suites

Add-ons

- > Early check-in
- > Late checkout
- > Baggage storage
- > Parking
- > Room service
- > Spa treatments
 (e.g., massages or facials)
- Health and wellness experiences (e.g., yoga sessions)
- > Premium bath products
- > Luxurious linens
- Additional entertainment options
 (e.g., in-room movies or gaming consoles)
- > Upscale transportation services
 (e.g., private airport transfers)
- Business amenities
 (e.g., meeting room or coworking rentals)
- > Pet-friendly accommodations and amenities
- F&B packages (e.g., set menus or cocktails designed for special occasions)



But there's a caveat: the more there is to upsell, the more complex upselling becomes. You need to upsell the right add-ons to the right guest at the right time – that's no easy feat! For this reason, some higher-end properties struggle with clunky and inefficient upselling, likely because they're choosing to offer them at inopportune moments that make it hard for guests to accept, such as:



Check-in:

Upgrades offered amidst ID checks and card swipes leave guests feeling frazzled and front desk staff feeling rushed to highlight amenities in a proper way.



In-room:

Printed binders full of paper advertisements are well-intentioned, but with food delivery services like UberEats and DoorDash available via mobile, guests are more likely to snag an order on their phone than take advantage of your F&B options — eating into your potential profits.

Sitting poolside:

At the pool, guests have to wait for service. And when you're facing staffing shortages, this becomes an even longer wait, meaning more stress for your workforce, frustration for your guests and fewer sales.



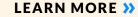
How One Full-Service Hotel Uses Canary Upsells to Drive £10,000 per Month in Ancillary Revenue

The Copthorne Tara Hotel London, the city's fifth-largest hotel, has a lot of upsell potential. But with 800 rooms and up to 600 arrivals per day, they needed to be strategic with how to offer these add-ons at scale without sacrificing the guest experience.

They found a way to supercharge both revenue and experience by implementing the following Canary solutions under one seamless platform: Mobile Check-In, Mobile Checkout and Dynamic Upsells.

"It's basically free money. As guests go through the contactless check-in process, they can select room upgrades and other upsells entirely on their own without front desk agents needing to do anything. If you have 50 guests that choose to upgrade from a Standard Room on the first floor to a Club Room on the twelfth floor, then you're likely to have 50 happier guests."

– Andrei Ticau, Rooms Division Manager, The Copthorne Tara Hotel London





Upsell Trends to Watch

N ailing your upsell strategy and techniques is a surefire way to sell more upgrades and add-ons. But it's not the be-all and end-all. Selling the right things at the right time is just as important. Here are a few trends that are shaping what works and what doesn't in the upsell world:



1. Upsell coworking spaces to guests & business travelers

The rise in remote work has led to an uptick in blended or bleisure (business and leisure) travel. According to Skift Research, 56% of U.S. travelers use coworking spaces a few days in a work week and 88% say their companies reimburse the coworking space expense.⁸



2. Offer experiences as well as things

Post-pandemic, the demand for experiences skyrocketed.⁹ Spending on restaurants increased in 2023 by 14%. Upsell experiences could include spa services, recreational activities like hiking or golf, workshops or classes or guided tours.



3. Give guests the gift of sustainability

Sixty-nine percent of travelers¹⁰ are actively seeking <u>sustainable travel</u> <u>options</u>. Appeal to eco-minded guests by offering green transportation rentals like bicycles, sustainable amenities like reusable water bottles or nature-based activities.





Analyzing Upsells: What the Data Tells Us

B y now, we're assuming you want to ramp up your upsell efforts. So, where do you start? To help you envision upselling at your property, Canary Technologies analyzed two months of user data from our <u>Dynamic Upsells</u> tool. The data represents limited-service and full-service properties in North America, Asia Pacific and Europe. Here are our findings¹¹:

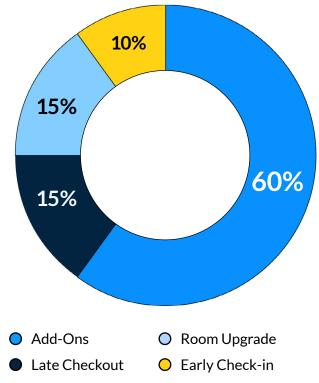


The Most Popular Hotel Add-ons

A dd-ons are a big driver of upsell revenue for every type of hotel, accounting for 60% of hotels' overall upsell revenue. Room upgrades account for the remaining 40%, with late check-in and room upgrades accounting for 15% of overall upsell revenue and early check-ins accounting for 10%.

What's more, data shows that a substantial piece (35%) of limited-service hotel upsell revenue came from addons. This compared to 65% of revenue for full-service properties. It goes to show that limited-service hotels don't need amenities to drive upsell revenue. In fact, the data suggests that *all* hotels have the potential to serve up upsells, as long as they have a platform that helps them streamline the process.

Upsells by Data Type (All Hotels)



FROM THE DATA Full-Service Add-on Inspiration

We handpicked some of the most creative add-ons our full-service hotel clients are offering their guests:

- > Breakfast
- > Rose petals on arrival
- > Golf club rentals
- > Chef's table reservation
- > Bath bombs
- > Swedish massage

- > Private fire pit experience
- Chocolate dipped strawberries
- > Fruit baskets
- > In-room cocktails





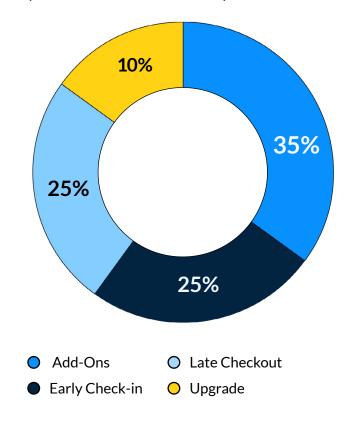
The Most Popular Upsells for Limited-Service Hotels

A dd-ons are the most popular type of upsell category for limited-service properties. As we stated above, they accounted for 35% of their upsell revenue compared to 65% for full-service hotels. In addition, the most common upsell is early check-in (25%) and late checkout (25%). This marks a tremendous opportunity for hotels with few amenities, as both of these features (that every hotel can offer) outperform even room upgrades as an upsell.



of upsells are early check-in and late checkout

Upsells by Data Type (Limited-Service Hotels)



Fro Lin Nee Her limi are

FROM THE DATA Limited-Service Add-on Inspiration

Need some inspiration? Here's what some of our limited-service clients are upselling:

- > Tealights
- Non-perishables (e.g., toothpaste, deodorant)
- Packages (e.g., romance, VIP)
- > Microwave rental

- Airport transfers
- > Pet fees

>

- > Bottles of wine
- > Parking
- > Bathrobe and slippers



When Upsells Happen During the Guest Journey

O ur data reveals that 85% of upsells happen at checkin and during the stay. But if you're relying on your front desk staff to do this in addition to their other duties, your success rate will likely fall short of your expectations.

"Our biggest frustration was continuously trying to get our receptionists to upsell," says Matthew Milliken, the Managing Director of the Mandolay Hotel in England. The truth is, guests dislike pushy sales tactics and selling well is a hard skill to learn.

The solution? Digital <u>self-check-in options</u> via apps take the burden off your staff and allow your guests to choose from a selection of relevant options they're more likely to buy.



of upsells happen at check-in and during the stay

Upsells / Insights

\$12,415



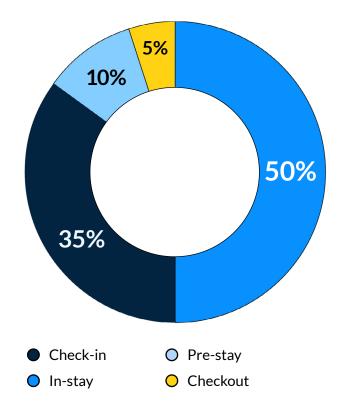
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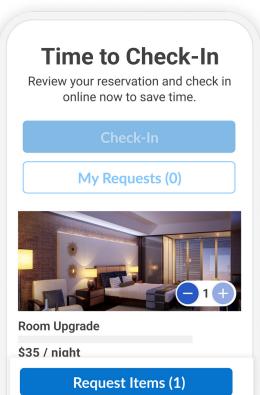
180 requested items

86% approval rate

15

Upsell Data by Point of Sale (All Hotels)







Get Clever with Upsells: 19 Useful Strategies

he time has come to create an upsell strategy that works for you. To do this successfully, you'll need to think about three things: what you're upselling, when you're upselling and how you're upselling.

Study your guest demographics to curate a library of desired add-ons guests will appreciate most. If your property caters to families, for example, you might offer babysitting services, in-room toys or extra beds and cribs. If your hotel is popular with business travelers, coworking amenities and even room-service menus might pique their interest.

Having a diverse selection of add-ons increases the likelihood of upsell success. Cast a wide net to ensure you have something for everyone, but understand that this list may change as you learn what works and what doesn't.

Let us help you create your list of offerings.





What to Sell: Upsells That Work for All Hotel Types

The more you offer features that appeal to your target demographic, the more irresistible they become. Here are some popular upsell options you may consider offering your guests:

1. Optimize Room Upgrades

Many hotels don't think they have room upgrades to sell. This might be a lot easier for full-service hotels with a variety of room types that can easily offer room upgrades, but what if you're a limited-service hotel with standard room types?

Here's the thing: Some guests are willing to pay more to be further from the elevator or on a higher floor. Others prefer a jetted bathtub or a better view. The rooms you upsell don't necessarily need to be bigger or more luxurious. They just need to offer guests a distinct value.

3. Offer Items Travelers Often Forget

The weary traveler who finds themselves without a toothbrush needs a rescue. Rather than forcing an offsite trip, offer your guests access to your inventory of non-perishables. Many hotels supply these extras but do not advertise them. Consider having an in-room sign so guests won't go without the basics.

Here are a few things you could offer:

- Toothbrush
- > Deodorant
- > Hairbrush
- > Toothpaste > Phone charger

2. Offer Early Check-in and Late Checkout

Do you charge for early check-in or late checkout? Most guests arrive at their hotel exhausted from their long journey, and often earlier than their predetermined check-in time. Guests don't want to wait to dump their luggage and settle in, which means hotels can easily charge a small fee for this convenience. Hyatt, for example, allows guests to check in as early as 9 a.m. and check out later, though this add-on is free for loyalty members (hint, hint: another upsell opportunity)¹².



4. Create Appealing F&B Packages

For properties with food & beverage services, capitalize on the booming food tourism trend. The global food tourism market size was evaluated at \$820 billion in 2023¹³. And Booking.com revealed that **74% of travelers dine out** for at least half of all meals during travel¹⁴. With more and more guests willing to spend money on food experiences, cater to their taste buds with unique F&B packages that attract both locals and tourists alike.

Get creative with exotic set dinner menus that take guests on an adventure, or keep it simple with smaller offerings guests can snag quickly, like milk and cookies, chocolate and wine pairings or chips and beer. Either way, a food and beverage option helps ensure guest spending stays on-site instead of in town.

5. Highlight Hotel Amenities

For a subset of hotels, consider that amenities not only drive revenue but also enhance guest experience. Skift found travelers would be most willing to purchase the following amenities from a hotel without even purchasing a room:¹⁵

- > Spa, wellness or fitness services (43.1%)
- > Takeout and delivery food options (41.1%)
- > Amenities (pool access and game rooms) (40.7%)

If locals are willing to pay for these services, imagine what your guests would spend to access your spa, room service, and pool. Therefore, we suggest advertising these offerings on your website, digital check-in process and in your rooms to generate more upsell interest.



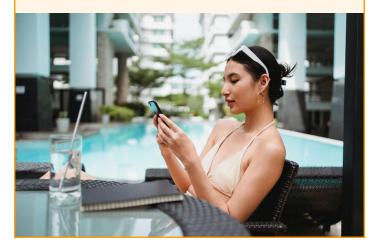
How One Hotel Group Increased Upsell Revenue by 200%

Staypineapple Hotels aimed to boost ancillary revenue while enhancing the guest experience. By utilizing Canary's Guest Management platform, the group effectively connected and provided tailored service right where guests are most engaged: on their phones.

"Since implementing Canary [at 10 of our properties], we've increased the amount of upsell packages we've sold to guests by 200%. It used to be that we'd ask our front desk agents to help us push upsells when guests arrived, but the results were lackluster; with Canary we can drive more revenue without our staff having to worry about it."

– David Thomson, former Chief Information Officer, Staypineapple Hotels

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6. Give Your Guests the Local Experience

Booking.com found that 75% of travelers seek authentic experiences representative of the local culture.¹⁶ That same study found that **40% struggle to find tours and activities** that will help them give back to the local culture. Upselling activities are especially successful for properties catering to luxury travelers.

What is your city known for? For example, Portland, Oregon, is known for its coffee culture. Nashville, Tennessee, is known for its music. And New Orleans, Louisiana, is known for its annual Mardi Gras celebration. From renowned local events to the location of your property, allow your surroundings to inform the upsell opportunities you can offer.



of travelers seek authentic local experiences

7. Think Outside the Box

Coming up with upsell ideas means getting creative. Thinking outside the box may take a bit more brain power, but the results are worth it. Here are a few ideas to get the creative juices flowing:

Campfire vibes: Bring guests together for singing and s'mores around the fire.

Under the stars: Provide guests with telescopes, star maps and cozy blankets for a stargazing experience on the hotel's rooftop or in designated outdoor areas.

Treasure hunt time: Create custom treasure hunts for your younger guests. They can follow clues and solve puzzles to uncover hidden treasures and surprises throughout the hotel or local area.

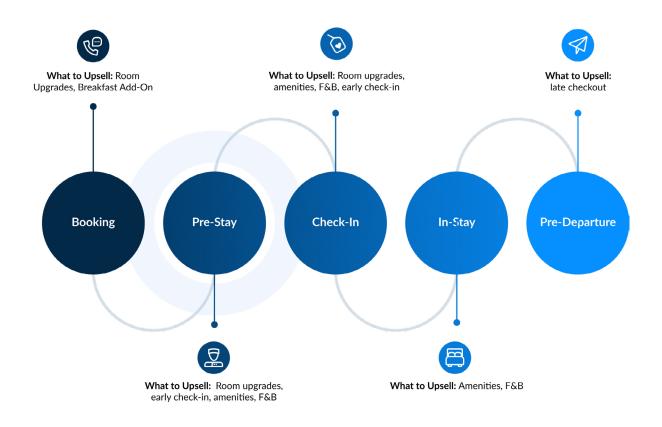
Nighttime sips: Create a range of special bedtime beverages, like herbal tea or hot chocolate that guests can make to wind down before bedtime.





Get Your Upsell Timing Right

You've heard it before: timing is everything. The key to upselling successfully is pitching them at high-intent buying points throughout the guest journey:



8. Upsell at Booking

Upselling during the booking process is an easy win. Whether your guests book on your website or an online travel agency (OTA), give them a way to add upgrades and add-ons to their cart. Include options like room upgrades, meal packages, spa treatments or local experiences directly on the booking page, and make sure your descriptions, images and pricing details are clear. Some OTAs like Booking.com have upselling tools you can leverage to entice guests to splurge.

What to upsell: Room upgrades, breakfast add-on





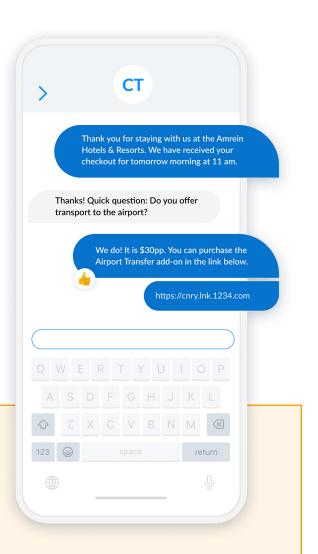


Given that **10% of upsells** happen between booking and check-in, finding opportunities to upsell during this period is vital. Manually upselling upgrades and add-ons before guests check-in is no easy task, though. Sending offer emails is time-consuming, especially when managing them at scale across many reservations. And when your guests have different preferences and needs, upselling the same thing to everyone becomes ineffective.

Instead, use messaging technology to automate and send timely upsell options to guests via text message. This method saves your team valuable time and enhances the guest experience. Include upsell options in booking confirmation messages or showcase your hotel's unique features and experiences.

What to upsell:

Room upgrades, early check-in, amenities, F&B



Make Upsells Even More Effective with Canary Messaging

The way you communicate upsells to guests matters. It might even make or break the sale.

Use Canary Messaging to serve up relevant add-ons, upgrades and packages via text messages to guests at the right time. Delight guests, streamline sales and drive more revenue.

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10. Upsell at Check-in

According to our upsell data, check-in is the most effective time to upsell, with **55% of upsells** occurring at this stage. While you've got guests' attention, offer room upgrades, spa or meal packages and other creative add-ons that enrich your guests' experiences.

Leaving upselling to your front desk agents alone, however, is a risky strategy. Upselling is difficult especially when you're short-staffed. Clément Deplanche, director of revenue strategy at Accor, told Costar: "It is very difficult to upsell when there is a queue at check-in."¹⁸

Instead, hotels are moving toward mobile check-in technology¹⁹ to lift the burden from their staff and provide a better experience for guests. What's more: you can use this tech to offer upsells.

What to upsell:

Room upgrades, amenities, F&B, early check-in

Secure Upsells Early with Canary Mobile Check-In

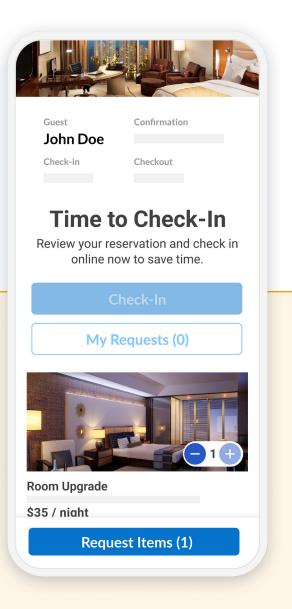
Alongside a busy lobby, ringing phones and incoming emails, upselling is a tough gig when you're a front desk agent.

Automatically upsell guests before they even arrive on-site with Canary Mobile Check-In. Surface popular upgrades when guests check themselves in, improving your chances of driving ancillary revenue and eliminating some of the burden placed on your front desk staff. Offer room upgrades, amenities, packages and more.

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of upsells occur at check-in







🛱 11. Upsell In-stay

Upselling in-stay is a great way for any hotel to boost TRevPAR, but it's vital for upscale, luxury and resort properties. Guests expect a higher level of service when staying at these venues, and therefore, they may be more inclined to indulge in additional amenities or services.

Modern hotels are driving increased in-stay upsells by providing:

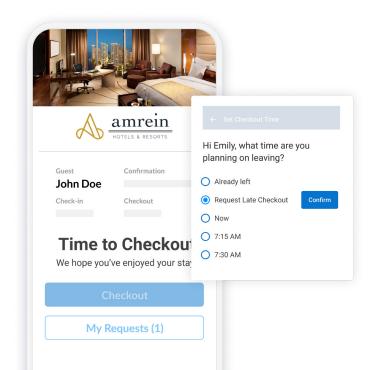
- QR codes for F&B ordering in-room and in common areas like by the pool.
- Digital compendiums where guests can purchase food and add-ons like spa treatments.
- Hotel apps where guests can request concierge services and browse and order upsells from the comfort of their rooms.

What to upsell: Amenities, F&B



Everyone likes a lie-in now and again. So why not use that knowledge and upsell late checkouts? Use mobile checkout technology like <u>Canary Mobile Checkout</u> to make it easy for guests to choose a late checkout for an added fee. After a late night or a trip filled with sightseeing, a bit more sleep could be just what your guests need.

What to upsell: Late checkout





Create a Winning Upsell Program

Y ou've built a library of irresistible upsell options and you're selling them to the right guests at the right time. Now you just need an upsell program that will keep you competitive.

13. Partner With Local Businesses

Making friends has always been a smart business strategy. Partnering with local businesses is a great way for communities to support each other. Together, you can help each other build solid reputations in the community and earn more money.

1. Decide who you want to work with: Look for vendors that align with your hotel's brand and guest demographics. Consider factors such as reputation, quality of products or services, proximity to the hotel and compatibility with your target market.

2. Negotiate: Negotiate fair and mutually beneficial terms and agreements with vendors, including pricing, payment terms, exclusivity arrangements and promotional opportunities.

3. Build trust: Invest time in building trust and rapport with your partners by connecting regularly and demonstrating reliability, respect and integrity.

14. Sell Discounts & Limited-time Offers

Offers become even more appealing when they evoke urgency. Use discounts and limited-time offers to stir up excitement and a fear of missing out (FOMO). For example:

- > Upgrade to a deluxe suite for 20% off: Offer guests the opportunity to upgrade to a higher room category at a discounted rate. This option is perfect for increasing occupancy and combating slower seasons.
- Book early and save: Offer special room rates and add-on discounts for guests who book their stay well in advance.
- Plan a relaxation getaway, limited time only:
 Create timely packages available at a lower rate,
 but for a short time only. Present them as branded
 getaways guests crave, such as romance, wellness
 or adventure offerings.





15. Pitch Your Add-ons Properly

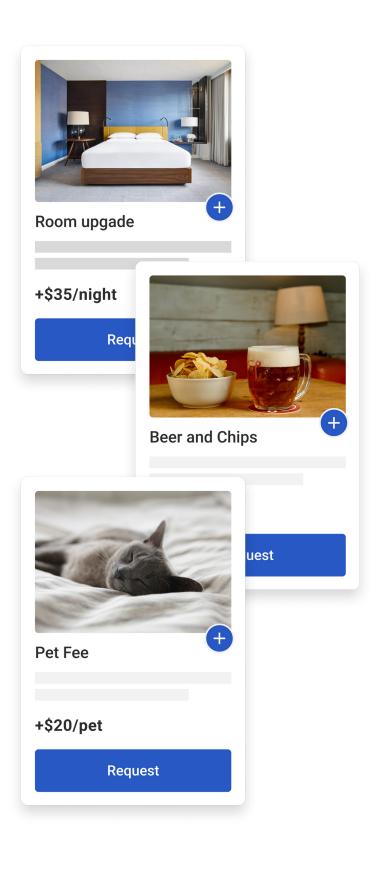
Similar to offering discounts and limited-time offers, the way you pitch your upsells will make or break your success. Use some of the following techniques to boost your acceptance rate:

- > Rate frame: Guests love to snag a bargain. To portray the value of an upsell, begin by telling the guest the original price. Then swoop in with the lower-price deal.
- > Use increments: Break down the cost of upsells into smaller, more manageable increments. Instead of saying "For \$450 a night you could upgrade to our Seaview Suite," you could say "Our Seaview Suite is available for an extra \$39 a night."
- Images and copy: Market your upsells, make sure images and copy are compelling.
- > Social proof: Show your guests pictures, videos or reviews from previous guests who have enjoyed the upsell offerings. Consider conducting a room tour if you're pitching an upgrade.

16. Train & Incentivize Staff

Give your workforce the best shot at upsell success by equipping them with upselling scripts²⁰ while also empowering them to think on their feet. On the topic of training staff to upsell, Deplanche told Costar: "We provide key phrases, but we do not want to create robots. Staff need to ask the relevant questions without being intrusive."²¹

Consider implementing a commission structure or bonus plan for staff to incentivize them to upsell effectively.





17. Stay Up-to-Date With Trends

Guest demands change all the time and it can be difficult to stay up-to-date with changing trends. Dedicate time every month to research what's happening in hospitality and consumer trends. For example, Skift and Oracle revealed that 45% of executives say electric car sharing is an amenity they are least likely to have today but most likely to consider for the future.²² With this in mind, you might offer guests airport shuttle services and electric car rentals on demand. (This instead of paying hundreds of dollars to rent a car that stays parked in your lot.)

As you consider what is working, also take stock of what isn't. Here are a few hotel amenities that have fallen out of fashion over the years:

- > Single-use plastics: Hotels like IHG²³ are appealing to climate-conscious consumers by cutting down on single-use plastic waste and replacing them with bulksize shampoo, conditioner and shower gel bottles.
- > Minibars: What was once a swinging success in the 1970s is now old-fashioned. Guests would rather bop on up to your hotel bar than pay \$10 for a bottle of cola.
- > On-demand movie rentals: With the advent of Netflix, Now TV, Disney+ and the ability to log into these platforms on in-room smart TVs, more guests want connectivity services over movie rentals.

18. Keep an Eye on Competitors

You're probably already familiar with how your competition prices their rooms. In the same way you secret shop the market to stay competitive, you should also monitor how (and what) they are upselling.

Mystery visit from a guest's perspective to view their process firsthand. Or use competitive intelligence tools and software to track competitors' pricing, promotions and marketing strategies.

19. Test Upsell Pricing

Finding that "pricing sweet spot" requires testing and time. If you're having trouble selling room upgrades, try dropping the price. Alternatively, if a certain room upgrade or add-on is especially popular, it's time to increase your prices.

Upsell Smarter with Canary AI

It's not every day that a hotel can serve up intelligent, personalized responses to guests in over 100 languages.

Enter Canary AI – an AI platform custom-built for the hospitality industry. It not only streamlines guest communication and personalizes interactions but also boosts sales effortlessly. Think of this: a guest inquires about checkin time, and Canary AI smoothly suggests an early check-in offer. Make more profit effortlessly with Canary AI.

CANARY AI

Your airport transportation is reserved for 5pm. Would you also like to request a late checkout for \$25?



LEARN MORE >

Thanks, and yes, that would be great!



Upsell Better with the #l Rated Solution



By now, your creative juices are flowing and you've got ideas to start or expand your upsell program. But how can you make it happen? Canary's Dynamic Upsells is an incredibly powerful tool to drive more upsell revenue. Bonus: it's also easy for your staff to adopt and manage. With Canary, you can:

- > Automate the upselling process
- > Use SMS/Whatsapp for better guest engagement
- > Integrate upsells throughout the guest journey
- > Customize upsell options for a tailored guest experience

Drive (and keep) more revenue

Canary Upsells goes beyond traditional upselling to automatically and intelligently reach guests with the right upsell at the right time.

Go beyond email: Many hotels rely only on email or the booking flow to upsell guests, missing a tremendous opportunity to engage them right where they are: on their mobile devices. With Canary Upsells, you can reach your guests over text or WhatsApp, giving you a direct channel to surface relevant upsell offers that will enhance their experience at your hotel. Automate upsells at key touchpoints: Set up automatic outreach at high-intent moments during the guest journey. For example, Canary Upsells can text guests 24 hours before arrival to see if there's anything they need in preparation for arrival. Similarly, you can connect with guests throughout their stay to invite them to events at your property or offer discounts to local attractions.

Keep every penny you earn: Canary believes you should keep all the revenue you generate. Hotels keep 100% of upsells revenue and Canary never takes a cut.



Make life easier for your staff

Canary Upsells takes care of sales automatically round the clock, freeing up your team to deliver exceptional hospitality instead of focusing on selling.

Quick and easy set-up: Canary's intuitively designed for easy adoption with minimal training. The platform offers templates for popular upsells that you can get up and running fast.

Customize for your hotel: You can also customize your upsell offers based on your property's specific needs. For example, if your occupancy rates allow for early check-in or late checkout certain days of the week but not others, you can schedule offers and blackout dates to match your availability. **Insights into what works**: Canary's Dynamic Upsells gives you a consolidated dashboard to view, organize, and manage your upsell program. It's easy to set up new upsell offers and track which offers guests are interested in.

Portfolio view: Management companies find incredible value in viewing which upsells work across their properties. Perhaps a new upsell is very popular at one hotel in the portfolio. A management company can share those results with other hotels to expand revenue potential portfolio-wide.

What is my check-in time?

Check-in is 3pm! We also offer an earlier 12pm check-in for \$30 using the link below.

FEATURE Canary AI for Upsells

https://cnry.lnk.1234.com

Canary AI powers Dynamic Upsells to promptly cater to guest requests with tailored upsells. Hotels leverage this feature effortlessly through Canary AI to boost upsell revenue.

Here's how it works: When a guest asks about check-in time via text, Canary AI responds automatically with the standard time and offers an early check-in for a fee. The guest receives a link to purchase the upsell seamlessly. Increase upsell revenue without the need for real-time staff intervention.

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Integrate Upsells with Canary's Guest Experience Platform to Supercharge Revenue

Canary's Guest Experience Platform further supercharges a hotels' ability to boost revenue & delight guests. Dynamic Upsells can seamlessly integrate with:

Mobile Check-in: Free up your front desk while giving your guests more options to check-in digitally and get settled in faster.

Guest Messaging: Engage your guests right where they already are-on mobile. Canary's guest messaging system simplifies and streamlines guest communications. Canary also incorporates Canary AI to automate responses to common guest requests further reducing admin work on your staff.

Mobile Checkout: Give guests the opportunity to close out their stay on a positive note. Contactless Checkout prompts guests to rate their experience and channels happy guests to leave a review on sites like Tripadvisor and Google.

Canary's Guest Experience Platform is modular so hotels can incorporate the tooling they need on their terms. It grows with your organization giving you not only the individual hotel view, but also a look across your entire portfolio if you are managing multiple hotels.

Canary has repeatedly observed that hotels effectively managing both in-person and digital guest experiences have happier guests. Happier guests = more revenue. Learn more about how Canary's <u>Guest Experience Platform</u> can help your hotel elevate guest engagement and satisfaction.

LEARN MORE >>



Upsells Are for Everyone

Making money with upselling is possible for any hotel, whether you're limited or full-service. The secret is a strong upsell strategy, the right technology and a dash of creative thinking. Get it right, and you'll boost your revenue while enhancing the guest experience – it's a win-win!

We all need to begin somewhere. Use this checklist to establish an effective upsell strategy:



I tell everyone-your upselling potential is only limited by your imagination and the law."

– Natalya Volkov, Account Manager at Canary Technologies

What to upsell:

- Create appealing F&B packages
- □ Upsell early check-in and late checkout
- Optimize room upgrades
- Offer items travelers often forget
- Highlight hotel amenities
- □ Give your guests the local experience
- Think outside the box

Get your timing right

- Upsell at booking
- Upsell pre-stay
- Upsell at check-in
- Upsell in-stay
- Upsell at pre-departure

Create a winning upsell program

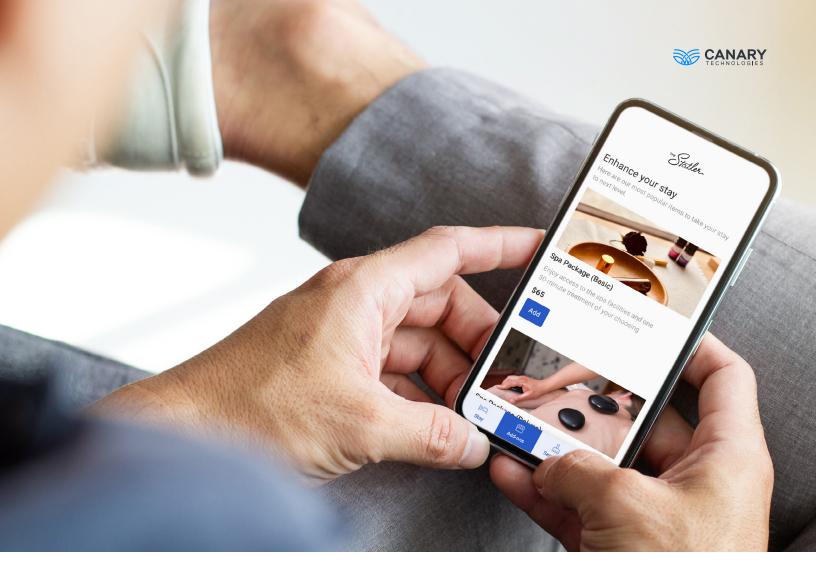
- Partner with local businesses
- □ Sell discounts and limited-time offers
- Pitch your add-ons properly
- Train and incentivize staff
- □ Stay up-to-date with trends
- □ Keep an eye on competitors
- Test upsell pricing
- Use dynamic upsell technology

CHAPTER 7



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About Canary Technologies

<u>Canary Technologies</u> is modernizing the hotel tech stack with its award-winning end-to-end <u>Guest</u> <u>Management Platform</u>. Digitizing everything from post-booking through checkout, Canary is trusted by more than 20,000 hoteliers in 80 countries, including leading global brands, such as Marriott International, Four Seasons, Choice Hotels, Wyndham Hotels & Resorts, and Ace Hotel Group. Canary is the #1 rated solution on HotelTechReport and was the sole hotel technology company named to Fast Company's Most Innovative Companies in 2023. Canary's solutions eliminate paper processes, boost revenue, increase staff efficiency, improve the guest experience, and reduce chargebacks and payment fraud.

Canary's <u>Hotel Management Software</u> includes Mobile <u>Check-In/Checkout</u>, <u>Tablet Registration</u>, <u>Upsells</u>, <u>Guest Messaging</u>, <u>Canary AI</u>, and <u>Digital Tipping</u>.

INTERESTED IN LEARNING MORE?

Book a Demo



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