



## HRS Research Summary

### Company Overview

HRS was founded in Germany in 1972 as a sole-proprietor company and has been run as a limited company since 1977. HRS operates a worldwide hotel reservation system for their business (they have 40,000 businesses who use their service) and private users per year, with a database of more than 250,000 hotels in 190 countries. The free reservation service provides price assurance with a money-back guarantee.

HRS offers business travellers a guaranteed best price, which has enabled 10,000 SMEs to benefit from up to 30 per cent off the current daily HRS rates when booking hotels. The hotel portal also negotiates free additional services, such as WiFi and parking at the hotel, especially for HRS guests. Standard bookings can be cancelled free of charge on HRS up to 6 pm on the day of arrival. Bookings can be made via the website (available in 32 languages), their telephone reservations, website, or mobile App.

HRS is part of the HRS GROUP, which also includes hotel.de, SURPRICE Hotels and Tiscover. The Group employs around 1,300 people worldwide and has offices in Cologne, Nuremberg, Berlin, Innsbruck, Vienna, London, Paris, Rome, Milan, Barcelona, Istanbul, Warsaw, Moscow, Hong Kong, Beijing, Shanghai, Singapore, Tokyo and São Paulo.

### Research Highlights

#### Cost of Sale

Commission is 0%\* on corporate negotiated rates as outlined below. There is a standard of 15% commission for all bookings outside the corporate negotiated rates. In Dublin, HRS have around 9.5% average commission which is a mix between bookings on non-commissionable rates and commissionable rates.

#### 1. Corporate Discount

Every hotel that is listed with HRS can use and benefit from this discount – this discount is only available in closed groups and not to the general public. For example, it is only available to registered *MyHRS Business customers* and to businesses using a protected corporate link to access rates for business travel. Hotels define the discount level themselves and for the dates it is available.

## **2. Corporate Club Rate**

Only selected Hotel Partners are invited to join the Corporate Club Rate Programme, and this discount is only available to closed groups and not to the general public. As above, it is only available to registered *MyHRS Business customers* and to businesses using a protected Corporate Link to access rates for business travel.

*\*0% Commission rates are essentially Corporate Negotiated Rates where the negotiation is usually done by HRS on behalf of the business. This rate is then a contract between the business and the Hotel. These rates are not available to anyone else nor are they available to the public. As this is agreed between the Corporation and the Hotel those rates are non commissionable*

The benefit of working with HRS and distributing those rates via HRS is that the Hotel will save on distribution costs. Usually the rates are distributed electronically via a GDS system (Sabre, Amadeus, Travelport with Galileo and Worldspan) these distribution costs are usually approx. 30% of each booking, at HRS there is no distribution costs.

### **Irish Bookings from HRS**

HRS gave us an overview of the number of Irish properties they are working with currently:

|        |            |
|--------|------------|
| 5 star | 27 Hotels  |
| 4 star | 207 Hotels |
| 3 star | 232 Hotels |
| 2 star | 40 Hotels  |
| 1 star | 4 Hotels   |

Total = 510

They would not share the volume of bookings that are coming through HRS but they did give us the percentage of bookings that come to Irish hotels from the key markets:

- 20% Ireland
- 20% UK
- 30% Germany
- 30% Rest of Europe

### **HRS's Advice to Irish Properties**

- To participate in their Corporate Discount, to get access to their 40,000 worldwide corporations and numerous SMEs
- Set yourself apart from the Competition / outperform your competition to get your fair share of Corporate Business
- Compete with Hotels by having negotiated rates
- Optimize your hotel picture and descriptive content
- Maximise revenue by providing most favorable rates and room availability
- Engage with your HRS Hotel Sales Manager to understand the business model / changes / enhancements to HRS

### **Research Learning's**

HRS is a relatively low-key brand in the Irish market, many properties are not even aware of its existence. It is clear from the numbers above that this could be a cost effective channel for Irish hotels to drive more European corporate bookings at a greatly reduced cost, than traditional corporate bookings channels such as the GDS.