KEX hostel creates ancillary revenue by cross selling tours & activities

Housed in an old biscuit factory in downtown Reykjavik, KEX is the most popular hostel in Iceland, and has won the Icelandic Travel Industry Association's innovation award. www.kexhostel.is

Hostel, Accommodation, Concierge, Cross selling, Ancillary revenue

Executive summary

The rooms at KEX hostel are sold out most of the year, but as many hotels and resorts around the world, they are increasingly turning to the sale of non-core products and third party services to improve their bottom line.

KEX hostel therefore runs a tour desk (called KexLand) which books tours & activities for their guests. Using Bókun, customers can now book their selected activities before or after they arrive - in a fully automatic manner online or offline. This has not only proved to be a very popular service resulting in happier guests - but also created a valuable ancillary revenue stream.

Time consuming calls & emails, customers booking elsewhere

Kristinn Vilbergsson, owner and CEO of KEX, said that running a tour desk service for the guests proved to be a lot more work than they had expected. "It was very resource intensive, we were constantly on the phone calling up suppliers, and then trying to maintain overview of bookings in emails and documents spread across multiple staff inboxes. Accounting was a mess, we had big problems in locating bookings to match the supplier invoices."

"Another thing we noticed, was that a big part of our guests had already booked tours & activities elsewhere when they arrived. We realized that to capture ancillary revenue from this group, we needed to suggest activities from our partners immediately at the time of booking rather than on arrival."

Fast and fully automatic

"Using the Bókun Marketplace, we were able to agree commission contracts with our tours & activity suppliers, which meant that we could book them all online in a single place without having to touch the phone. We also set up a simple website with booking widgets from Bókun, so our guests can book tours online, and we make sure that they get suggestions for activities when booking the accommodation" said Kristinn.

Ancillary revenue streaming in
"Since we launched the service, we've seen a steady growth every month. We've also started hosting concerts & events, and we use Bókun to sell the tickets. I just wish we had started using Bókun earlier!"

Do you want to create ancillary revenue streams by cross selling?
Click here to request a demo.