

## Hotelier's 2010 Top Ten Internet Marketing Resolutions - By Max Starkov & Mariana Mechoso Safer

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Looking back, HeBS believes that 2009 was a year not only of challenges, but also successes for the industry. While no hotelier is sad to see the end of 2009, HeBS believes that every hotelier has learned extremely important and insightful lessons that have benefitted their Internet marketing and distribution efforts. Undoubtedly the most important and relevant initiatives in 2009 included holding every spent dollar fully accountable with analytics, not experimenting with unproven advertising formats, enhancing and optimizing the hotel website, and very carefully targeting the right customer segments.

These tactics were integral parts of HeBS article '[Getting Back to the Basics: The Hotelier's Action Plan for a Difficult Economy](#)' and hoteliers who made these recommendations priorities in 2009 were the winners in this economic downturn.

### **Now, it's time to look at the year ahead.**

Industry reports show that in 2010, hotels will continue to experience declines in revenue and profits, and the recovery is expected to be slow and painful. According to PKF Hospitality Research, in 2010 hotel occupancy will increase by only 0.4%, while ADR and RevPAR will decline further by 1.5% and 1.1% respectively.

The Online Channel is the only growth channel in 2010. This was true last year and it is still the case this year. In Q3 2009, Internet CRS bookings for the top 30 hotel brands grew by 6.6% compared to the previous year, while both GDS bookings and voice bookings declined by 3.6%, and 3% respectively (eTRAK). Smart hoteliers will continue to shift marketing dollars to the online channel at the expense of traditional and declining channels, and implement ROI-centric Internet marketing and distribution strategies with new efforts such as social media and mobile marketing, which are quickly becoming the mainstream in the hospitality industry.

What should hoteliers do to improve bookings in this slowly recovering economy? How seriously should they take their social media strategy? Which Internet marketing initiatives should hoteliers budget for? What online initiatives will bring the highest ROIs? Most importantly, how can hoteliers keep up with emerging trends and provide the immediate, real time service that guests demand?

The 2010 Top Ten New Year's Internet Marketing Strategy Resolutions, presented by Hospitality eBusiness Strategies (HeBS) for the tenth year in a row, provide some of these answers and action steps.

Here are the **Top Ten Internet Marketing Resolutions** your hotel company should consider adopting in 2010:

1. I know that '**Less is More**' in a difficult year like 2010 and I will focus my budget on the Internet marketing initiatives that bring the highest ROIs and generate the most bookings. I know it is essential that I use analytics to drill down my results and find the right marketing mix that converts for my hotel, and that I make use of every marketing dollar I have.

Situation: The Internet marketing basics-website re-design, SEO, paid search, and email to the hotel's opt-in list-consistently bring in the most bookings and the highest ROIs in the industry. HeBS estimates that 75%-80% of hotel website bookings originate directly from these 4 initiatives alone.

Action Steps: Focus 90% of your budget and efforts on the 4 ROI-producing marketing initiatives as mentioned above-website re-design, SEO, paid search, and email to the hotel's opt-in list. Then carefully study your analytics so that you can allocate more of your budget to those specific elements in each initiative that works (specific keywords over others, shorter newsletters, two newsletters every two weeks vs. four, etc.).

What about social media and mobile marketing? Where do you start and what do you focus on? To complement the 4 initiatives above, spend up to 10% of your Internet marketing budget on social media and mobile marketing initiatives this year. By enhancing your social media presence on Facebook and Twitter you can create buzz around the property and contribute to increased awareness and booking considerations. Also, make it a priority to build a mobile-ready website this year-67% of leisure travelers and 77% of business travelers have already used their mobile devices to find local services such as lodging. However, social media and mobile marketing should remain a small part of the budget in 2010. And remember that less is more. Use the basics more intelligently this year by carefully looking at your website analytics, which will enable you to do more with limited budgets and resources.

2. I will take advantage of the fact that **multi-channel marketing is here** and that I can reach my future and current guests through a variety of ways that complement each other.

Situation: The research process is now longer than it has ever been-people are searching an average of 22 travel websites before making a booking (Google), communicating with friends and family via Facebook, conducting mobile search, etc. This means that they are seeing your marketing messages across a variety of different channels. Now more than ever, there is a convergence of interactive and offline marketing channels-social media and print; hotel websites and social media initiatives, mobile and email, etc.

Action Steps: Multi-channel marketing campaigns should be the norm in 2010. Reach your future and current guests at multiple touch-points. For instance, if you launch an email campaign to the hotel's own opt-in list, combine it with a tweet on Twitter, a posting on Facebook, a promotion on your website (this is a must), and paid search campaigns. Remember, no

matter which channels you use make sure you are tracking results and conversions (e.g. Omniture, DART, etc). Phone tracking is now easier than ever (e.g. a unique 1-800 number to be used for calls resulting from your Google AdWords, another from Yahoo, etc.), and even with print you can send people to private landing pages or use promo codes.

3. I will remember that the **Direct Online Channel** must always be at the centerpiece of my Internet strategy. I know that travel consumers booking via my hotel website i.e. direct customers are more loyal, bring more revenue and tend to travel more often.

Situation: Across the industry, in 2010, Direct Online Channel sales will exceed 62% of total online hotel bookings. In 2009, even the top 30 major hotel brands increased their dependence on the Online Travel Agencies (OTAs)-from 25.4% a year ago to 30% of CRS bookings in Q3 2009 (eTRAK). Emboldened by hoteliers' desperation, some OTAs engaged in controversial and unhealthy practices, as described in HeBS' recent article '[The Prisoner's Dilemma, the Stockholm Syndrome, or a Case of Both?](#)'

Action Steps: What should hoteliers do to improve their direct vs. indirect online channel ratio? Firmly establish the direct online channel as the centerpiece of your marketing strategy. This provides your hotel with immediate results in a very difficult economic environment as well as long-term competitive advantages. Maintain strict rate parity across all marketing channels and maintain a best rate guarantee. At the same time, create unique product offerings and providing unique value proposition via the hotel website. Engage your customers directly via social media and mobile initiatives, and Web 2.0 features and functionality on the hotel website.

4. I will plan my budget around **ROI-Centric Internet marketing initiatives** and furthermore, I will track every dollar spent using sophisticated website analytical and campaign tracking technology. In this economy, I will not spend even a single precious marketing dollar without tracking the results, bookings generated and Return-on-Investment (ROI). I know that my Internet marketing budget is never final - it is a 'work-in-progress' which continuously needs to be reevaluated dependant on results and Return-on-Ad-Spend (ROAS).

Situation: Smart hotel marketers-from the major hotel brands and OTAs to independent hotels and resorts-use sophisticated website analytical and campaign tracking tools like Omniture, DART, etc. For example, Omniture's SearchCenter (used by many major hotel brands and all of HeBS clients) allows automated bid management of paid search campaigns resulting in significant cost savings of 30%-40%, in addition to detailed ROI-analysis on the campaign and keyword level and keyword stacking reports. This process reveals which keywords actually lead to a booking. Here at HeBS we often see bookings that resulted from three or more keyword searches.

Action Steps: In 2010, hoteliers must track post-impression and post-click activity and track conversions (bookings, room nights, revenues) and ROAS from each campaign. Do not accept excuses from your interactive vendors on how difficult it is to track conversions and ROAS. Work only with an Internet marketing vendor that provides the hotel with 24/7 access to state-of-the-art website analytical and campaign tracking tools, utilizes industry's best practices, and focuses on marketing spend that can be tracked. Go even more granular with analytics, and don't just look at direct revenues from campaigns but look at the path website visitors took to make a booking. For instance, make sure that you review campaign stacking reports with your vendor and website user pathing behavior to get the full picture as to which marketing initiative led or contributed to each booking. Do not disregard an initiative because you aren't drilling deep enough into your analysis. If your current vendor cannot accommodate your hotel with the above reporting and analysis, replace them in a heartbeat.

5. I will make sure my hotel website is **Web 2.0-friendly** to increase interaction with visitors. I understand that

launching Web 2.0 features and functionality on the hotel website engages website visitors, generates interest and site stickiness, and ultimately increases bookings.

Situation: Most hotel websites read like a static online brochure. There is minimal interaction with the user; all he/she can do is sit back and read what is on the website as if in a county library. This is contrary to the mere nature of today's hyperactive Internet user, who is tweeting, texting, emailing, communicating with friends via Facebook, and commenting, often in real-time, on restaurants and hotels via review sites.

Action Steps:

Create opportunities for your website visitors to communicate with your hotel. Start a blog so that you can speak to them and allow them to leave their feedback (this will benefit the hotel's SEO as well). Launch a sweepstakes that allows your visitors to enter to win a free night's stay (and refer the contest to their friends, spreading it virally), and let them show off their vacation photos by creating a photo sharing contest (always have an approval process before photos go live). Post a fun scavenger hunt on the site and generate buzz, add new users to the opt-in email and text lists, and generate incremental bookings in the process. Everyone wants to be a celebrity - let them share their experiences!

Many of these Web 2.0 features such as interactive sweepstakes and contests, blogs, event/activity calendars, photo sharing contests, sharing the site with friends, following the hotel via Twitter and Facebook, customer surveys and testimonials, etc. can be implemented even now, in this economy, without re-designing the whole website.

6. I will take full advantage of **Social Marketing** and enhance the social media strategy for my hotel in 2010. I understand that social marketing and targeted social media initiatives, if done according to best practices, generate buzz around the hotel, engage customers, provide a receptive audience, and ultimately stimulate hotel website visits, interactions and bookings.

Situation: Internet users now spend 17% of their surfing time on social network and blogging sites, nearly triple the percentage of time spent on such sites a year ago, according to Nielsen. Over 44% of Internet users are active in social media. In addition, over one-third of social network users and 44% of Twitter users have engaged with a brand through discount

promotions (Mashable).

No wonder that according to the recent Business.com's 2009 Business Social Media Benchmarking Study, 83% of U.S. companies use Facebook and 45% Twitter. All major hotel brands, airlines and other travel suppliers, as well as all OTAs are now present on the social networks like Facebook, Twitter, etc. At the same time, the social networks are cluttered with 'dead' Facebook Fan Pages and Twitter accounts, abandoned by hoteliers and travel marketers who did not realize the amount of time, expertise and resources maintaining social media presence requires.

**Action Steps:** Do not get tempted to create a Facebook Fan Page or a Twitter account if you are not ready to devote a significant amount of time and resources to managing your hotel's social network presence and if you do not have access to best practices and expert advice on the subject. If you do not have the internal bandwidth or resources to manage social marketing, outsource to a hospitality social media expert company.

Launch interactive contests & promotions using social media and find unique ways for people to interact with your hotel outside of the hotel website. An example could be an interactive scavenger hunt using Facebook and Twitter, or a Twitter-only contest asking your followers what their dream hotel package would be (the prize would be the most imaginative-yet doable-package). Here at HeBS, we have found that these types of promotions drive significant traffic to the hotel website, are beneficial for SEO, are often referred to friends, and consistently result in multiple hotel bookings. And always measure ROI from your social marketing-number of engagements, referrals, leads, initiated bookings, conversions.

7. I will invest in **Mobile Marketing** this year, as I know that mobile users expect instant access to information as well as an Internet experience that rivals the one via traditional PCs and laptops. Mobile users have even shorter attention spans. They have less time to browse and are often on the go. I know the mobile Internet is not wireless access to the conventional Internet and adheres to different rules.

**Situation:** The number of mobile devices has already surpassed the number of personal computers worldwide. Seventy-eight percent of the U.S. population has a mobile device of some sort. Sixty-seven percent of travelers and 77% of frequent business travelers with Web-enabled mobile devices have already used their devices to find local services (e.g. lodging) and attractions (PhoCusWright). In other words, hotel guests-past, current and potential-are increasingly becoming mobile-ready and hoteliers have to respond adequately to this growing demand for mobile services. This is the reason why all major hotel brands, travel suppliers and OTAs have mobile Internet initiatives in place, including mobile brand websites, mobile applications (including iPhone apps), m-CRM and mobile marketing.

**Action Steps:** The first step any hotelier should take is to build a mobile-ready website, designed specially to provide an excellent user experience in a mobile environment. The economy or budget constraints are no excuse-a 10-page mobile hotel website starts at \$1250 and is definitely worth the investment. Also, launch Google mobile ads and start soliciting sign-ups to the text opt-in list (m-list) on the hotel website and via email marketing campaigns, etc. Include a mobile marketing component in your social media initiatives, interactive sweepstakes and contests.

8. I will invest in **online videos** for my hotel's website and other online channels such as YouTube, Facebook, etc. I know that because of advances in bandwidth and technology, online videos are becoming an integral part of the Internet and Mobile Web users' experience. I also know that an online video describes my hotel and its location better than any textual content on my site, and is an attractive conduit by which I will be able to showcase the hotel and the destination via the social networks.

**Situation:** According to Nielsen's VideoCensus, YouTube serviced over 6.6 billion streams in October 2009 alone, followed by Hulu (632 million) and Facebook with over 217 million streams. YouTube is the second largest search engine-second only to Google. People watch an average of two hours a month online and referrals from YouTube to the online travel channel are up 84% this year (Google). Most importantly, 72% of US Internet users view video online on the same scale as network television and 89% of users surveyed said video influenced their booking decision (PhoCusWright). No wonder almost all major hotel brands, OTA's, luxury hotel and resort brands have invested heavily in the creation of online videos about their product and services and created YouTube and Facebook video channels.

**Action Steps:** If you do not have an online video of your hotel in 2010, make this a priority. Video is a great way to bring your property to life and there is a huge audience out there. Upload your video on your website, create a YouTube user channel for your hotel and make your videos part of the hotel's Facebook Fan Page. If you are not able to budget for a video, consider the much cheaper Flash Video (flash animation of images along with a voice-over recording), or ask your guests to upload and share their own videos.

9. I will take full advantage of **today's real-time marketing world** we live in. I will focus on real-time communications with my past, current and future guests because I know that they expect me to be there for them via multiple channels and at all touch points. At the same time I know that with the advent of social media and mobile Web, real-time information is being generated, disseminated, and acted upon with lightning speed across the Web, and I will make sure not to miss this opportunity to showcase my property.

**Situation:** Today's hyperactive travel consumer expects to have access to real-time information in a 24/7 fashion. 'Consumer expectations are at a level never seen before. Immediacy is compelling, engaging, and highly addictive' (CNN Dec 09). At the same time consumers, for the first time in history, can create content in real time via social networks, mobile texts, email, etc., which automatically gets distributed across the traditional and mobile Web. Google already serves content in real time from across the blogosphere, Twitter, Facebook and other social networks in its search results. Via RSS, this content gets distributed to thousands of sites. This presents hospitality eMarketers with enormous new challenges, as well as opportunities.

Action Steps: Hoteliers need to be there right away for their customers and these customers won't necessarily come to you directly with their questions and feedback. They may post a comment on Facebook, or tweet about your hotel. Many companies have been very successful at responding to these communications, resulting in higher customer satisfaction and ultimately in new incremental bookings. Make sure you are monitoring for comments about your hotel not only on the hotel review sites, but across the social networks, and responding as quickly as possible. Take advantage of this new staggering immediacy in information dissemination-new postings on the hotel's website blog, Facebook Fan Page, Twitter profile, YouTube channel, Flickr account, etc. and get picked by the search engines almost immediately to appear in the search engine results.

10. I will always keep in mind that **experience matters when it comes to hotel Internet marketing**. I know there are a lot of vendors out there that want my business, and I do not want to be a victim to self proclaimed Internet marketing experts or those that want to 'learn the business on my dime.'

Situation: Now, 15 years after the first hotel online booking, best practices have been established in practically every aspect of hotel Internet marketing. There are many vendors, an increasing number not hospitality-focused, who proclaim themselves as internet marketing experts. At the same time there are proven hotel Internet marketing professionals who can help you and your hotel stay competitive, increase market share, and generate high website revenues and ROIs. It is becoming increasingly difficult for hoteliers to distinguish and choose the true experts in the field.

Action Steps:

Consider partnering with a hotel internet marketing firm with a proven track record in the industry. Partner with hospitality experts in Internet marketing and direct online channel strategies who can help you acquire new core competencies and adopt best industry practices. Partner with those who can help you and your hotel stay competitive in these difficult times, preserve and increase market share, beat the industry averages and generate the highest website revenues and ROIs. Hire experts who will work with you in complete transparency and that are ROI-centric, yet innovative and will keep you in the know of the latest trends, including social media and mobile marketing.

Most importantly, this partner should make your website your hotel's most productive and efficient revenue generating channel in 2010 and beyond.

#### **About the Authors and HeBS**

Max Starkov is Chief eBusiness Strategist and Mariana Mechoso Safer is Senior Director, Marketing at Hospitality eBusiness Strategies (HeBS), the industry's leading Internet marketing strategy consulting firm for the hospitality vertical based in New York City ([www.hospitalityebusiness.com](http://www.hospitalityebusiness.com)). HeBS has pioneered many of the "best practices" in hotel Internet marketing and direct online distribution. The firm specializes in helping hoteliers build their direct Internet marketing and distribution strategy, boost the hotel Internet marketing presence, establish interactive relationships with their customers, and significantly increase direct online bookings and ROIs.

A diverse client portfolio of over 500 top tier major hotel brands, luxury and boutique hotel brands, resorts and casinos, hotel management companies, franchisees and independents, and CVBs has sought and successfully taken advantage of the firm hospitality Internet marketing expertise offered at HeBS. Contact HeBS consultants at (212)752-8186 or [info@hospitalityebusiness.com](mailto:info@hospitalityebusiness.com).

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