



BEST PRACTICES FOR
**ENGAGING ONLINE
TRAVEL SHOPPERS THROUGH
INTEGRATED MARKETING**

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Coming Soon!

Please watch for, and participate in, a survey from HSMAI and VIZERGY® launching soon: *Understanding How Hoteliers Use and Benefit from Website Analytics*.

This important survey will allow us to form a benchmark of what digital analytic metrics your peers are keeping a close watch over and how they are taking action on those metrics. Your aggregated answers will be shared in a white paper. The white paper will serve as a “report card” for hoteliers and provide insights and best practices for how you can utilize analytics to make better business decisions, and ultimately, improve your property’s revenue.

The Landscape

Online travel planning is far from simple. Today's travel shopper conducts multiple searches, reads online reviews, browses destination information, discusses plans on social sites with friends and colleagues, and compares hotels, rooms and rates across multiple websites. How else can they be sure to find the right room at the right price?

Given this, no contemporary marketer ignores the vast array of online channels in his or her marketing plans. And most create those plans by envisioning the traditional purchase funnel: the model that suggests consumers' progress from awareness, through interest and desire to their purchase action.



Figure 1 - Traditional Purchase Funnel

While this funnel provides a convenient metaphor, it may mislead marketers into believing only one purchase path exists. However, no one follows the same neat, orderly progression from “I think I’ll take a trip” straight through to “Here’s my credit card,” down the same path, funnel-shaped or otherwise.

In fact, a person preparing to make a travel reservation is typically exposed to some or all of the following touch points as they traverse their complex purchase path:

- Paid search
- Natural search
- Email
- Banner advertising / display media
- Brand websites
- Mobile websites
- Affiliate sites
- Retargeting efforts
- Sponsored content and contests
- Online videos
- Online Travel Agencies (OTAs)
- Travel review sites
- Social media and word of mouth

Cornell Hospitality Research notes more than 80% of travelers perform a travel-related search before booking and Google has seen that the average online travel shopper visits 22 sites across 9 or more sessions prior to making a reservation. While that seems extraordinary, given the amount of media directed at consumers, is it any wonder they struggle with their purchase decision?

The environment is less a funnel and more a roller coaster, dipping, swerving, looping back on itself again and again as the buyer makes their frenzied way towards their goal.

This “twisted funnel” provides marketers with both an opportunity and a challenge. The opportunity: Place the right message in front of the right consumer to drive them to the ultimate step in the process. The challenge: Allocate limited resources – time, money and effort – to cut through the clutter and help travel shoppers make the best decision for their trip.

As Loren Gray, Director of E-commerce for Ocean Properties states, "Marketing strategy must evolve to the reality of today's 'campaigns.' So long as your competitors prioritize only the measurable ROI for individual components of a campaign – and ignore the value of continual interaction with potential guests – there are huge opportunities to attract those guests to your message at each step in their 'funnel.'"

To meet this challenge head-on and accomplish their goals, hotel marketers must move away from a singular focus on campaigns and more towards travel shoppers. And they should begin to move from a focus on individual channels to an integrated marketing approach. Repeat exposures across multiple channels reinforce your brand's message and increase the likelihood of reservations activity.

For example, according to Cornell Hospitality Research, hotels receiving exposure on OTAs “...increased total reservation volume [across all channels] by 7.5 to 26 percent.” Research in other industries suggests this “billboard effect” offers similar advantages across a variety of marketing channels. Integrated marketing aims to put you in front of your client throughout these channels – at each step in your customer's purchase path – to drive greater business results.

What is integrated marketing?

Simply put, integrated marketing identifies the best customers and directs efforts towards speaking to them in their language and on their terms. It uses multiple marketing channels, working in concert with one another, to expose your guest to a consistent message throughout their purchase decision process.

It's all about the customer

Direct marketers have known for years that, “The money's in the list.” This axiom suggests that even the worst creative placed in front of the right customer will outperform brilliant copy sent to the wrong list. Similarly, integrated marketing online focuses on finding the right customer. Your customer is in the marketplace, looking for information to make the best decision. Your focus shifts from what is the right promotion to who is the right customer. As Joe Hyman, President & CEO of Vizergy notes, “It's not the customer's job to remind us they're out there. It's our job to remind our customers – in each channel they use – that we're here.”

Travel buyers expect a seamless transition from one part of the process to the next. Your goal is to create what Hyman terms a “surround sound” approach, putting relevant and consistent messages in front of them at each of their interactions with your brand – whether through search, an OTA, an online review or your own website – and ensuring a seamless handoff across those interactions. While this sounds difficult, best practices exist to ease the transition, including:

- Establishing cross-functional teams
- Defining appropriate goals
- Matching consumer-preferred channels to defined goals
- Focusing on the right success measures

Establishing Cross-Functional Teams

Integrated marketing requires integrated teams.

One look at a search engine results page illustrates the challenge facing hotel marketers today.

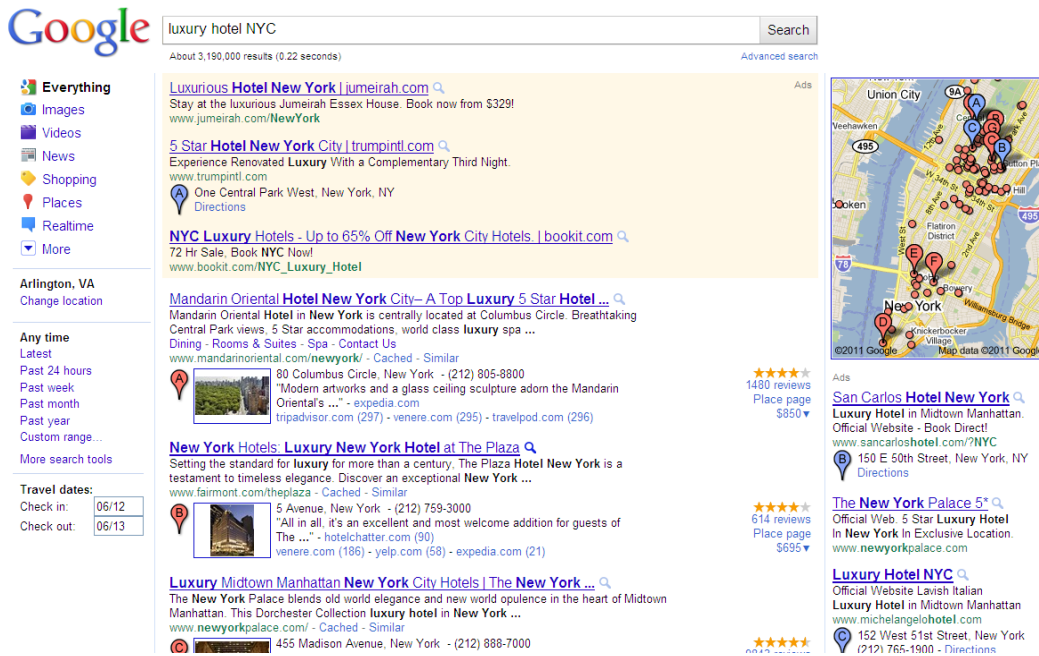


Figure 2 - Internet search for "Luxury hotel NYC"

Paid search, natural search, local search (maps), rates, photos, reviews and ratings all display to the travel shopper immediately. What was once the province of marketing now stretches across the organization.

While this isn't to suggest that hotel operators must reorganize their operations around marketing, it does suggest the need for tighter integration across functional areas to tell the hotel's story most effectively. Integrated marketing works best when it includes each of these areas working together:

- Marketing
- Revenue management
- Distribution
- Reservations
- Sales
- Ops
- CRM

In particular, the activities of revenue management and marketing must align closely. Outside the hotel industry, marketers consider price one of the "four P's" of marketing. Within the industry, hotel management needs to examine the support systems around their organizational structure to ensure that marketing and revenue management work together well. As noted in discussions with hotel marketers, management must establish clear ownership of all market segments – corporate, group, and transient – and clear goals for each group in support of these segments.

Particularly during this recovery period, hotel management must watch for signs of team members seeking credit for successes and encourage the same "we're all in this together" mindset so common during the

downturn. The greatest competitive threat to many organizations is internal competition for recognition and resources.

Management instead should focus on developing the following skills within their team members:

- **Customer focus.** Unquestionably the most important attribute, the team member must care about the customer and want to ensure that the most important message for that customer carries through all marketing touch points.
- **Team player.** The team member must commit to common objectives and be comfortable equating success of the team with individual success.
- **Data driven.** The individual should understand and continually seek new sources of quantitative data.
- **Adaptability.** The tools and techniques supporting integrated online marketing continue to change. Team members must be comfortable continuing to grow and share their knowledge with other members of the team.

Think of each member of your team as an "Internet sales manager," focused on using the available tools and techniques to reach their target customer and convey your hotel's story most effectively.

Defining Goals

Once you have established your team's roles, clearly articulate your organization's goals. Are you looking for more revenue from new guests or repeat business from existing ones? Do you want to grow participation in your loyalty program or increase awareness of your hotel among a key market segment?

Too many marketing campaigns fail because marketers and management fail to share common objectives and to agree on the appropriate success measures for the associated marketing activities.

In establishing your objectives, consider the following possible business outcomes:

- Greater overall revenue
- Increased revenue per guest
- Incremental visits from existing guests/greater retention
- Longer length of stay
- Acquisition of new guests/new guest segments
- Increased ADR
- Higher occupancy
- New loyalty club members or expanded email marketing list
- Improving group and meeting leads
- Greater website traffic

Additionally, keep in mind the need to establish appropriate timeframes for each goal. Goals with short timeframes may require targeting different customers than those with longer timeframes. For instance, many hotels offer short-term promotions using deeply discounted inventory in an attempt to attract new buyers. However, as reservations gained through this tactic often come primarily from deal seekers, hotels rarely realize increased ADR over the long-term from these new "customers." Instead, these guests tend to choose whichever hotel offers them the best deal when making their next reservation. Clearly, this tactic has merit for driving occupancy and short-term revenues, but is not appropriate if your long-term goal is to increase ADR or RevPAR. This is not to say such tactics have no place in a hotel's marketing plan. Instead, it is a question of aligning all tactics with their stated goals.

Matching consumer-preferred channels to defined goals

With the right team and the right goals in place, the next step in any integrated marketing plan is to identify the right channels for communicating with your customers. The three broad areas through which a consumer will contact with your brand are:

- Paid
- Owned
- Earned

Paid media channels represent most traditional media and include paid search, display advertising, sponsorships, retargeting efforts, and OTAs. Cornell Hospitality Research has found that hotels participating with OTAs receive between 3 and 8 reservations through their own channels for each reservation received through the OTA itself. This can provide a valuable channel for hotels seeking greater awareness or new customer acquisition, particularly if the hotel can successfully convert that guest to a direct booker in the future.

Owned media represent channels that the hotel controls itself and include your website, mobile site, blog, and search engine optimization efforts. Social “outposts” – your outreach to consumers using tools such as Facebook, LinkedIn or Twitter – also are “owned” in the sense that you control the message.

Finally, earned media comes from consumers themselves, spreading your message on your behalf. The most common forms include word of mouth, online reviews, and viral marketing, though, by its very nature, earned media channels change rapidly as consumers find new ways to tell friends and colleagues what’s on their mind. With the proliferation of traveler reviews on a variety of sites, consumers have gained a significant platform for influencing your brand’s public image. Engaging those guests in a constructive dialogue demonstrates commitment and care to future guests as well as the original reviewer. And while the era of complete control of your brand is well in the past, you cannot afford to surrender your share of that dialogue.

Pair channels with the common activities of a given customer type in those channels. For instance, social networking sites such as Facebook typically work better with leisure travelers while LinkedIn, given its business focus, produces greater results in the groups and meetings market. Search works for all client types, though different terms appeal to different markets at different points in their process. Consumers early in their decision process tend towards more generic terms (e.g., “beach resort”, “ski vacation”) while guests further along in their process frequently search for specific hotels. If you only credit that final search with the transaction, you risk losing shoppers early in their decision process to competitors.

Selecting channels for integrated marketing messages

The key to executing integrated marketing well is to identify the right channels frequented by your target customers and ensure consistent messaging and branding throughout the purchase decision process. As noted in a review of the top integrated campaigns of 2010, iMedia Connection notes, “A truly excellent integrated campaign takes the multi-platform approach to the next level by using each channel to feed into an overarching story.”

For instance, one major hotel chain found that selling distressed inventory through private sales restricted to their best customers increased reservations and revenue on all rate plans, not just discounted rates. Instead of “dumping rates” through third-party channels or on discount sites, the brand executed a clear example of matching activities to customers. Instead of looking inward, asking, “How can we get rid of this excess inventory?” the hotel chain focused on its customer and asked, “What can we offer our best customer?”

The chain included a common message – the value of being a preferred customer – throughout their marketing activities, reinforcing the brand connection. These activities included email marketing, on-site landing pages,

and retargeting display ads that produced increases in brand search terms, site visits and reservations. Additionally, the integrated marketing activities produced ADR above par for the same period. This runs counter to the earlier example regarding discount offers because the chain focused its efforts on guests with a known spending pattern, rather than trying to attract new travel shoppers through a deeply discounted offer.

Is it the channel or the aggregation of channels that matters?

The most dangerous mindset for a modern marketer is to think in terms of “either/or.” Online brand signals reinforce one another. Nowhere is that more apparent than the continuing integration of search and social. Despite measurement challenges, each clearly supports the other. Some evidence indicates that pages that earn shares and “Likes” on Facebook rank better in the major search engines.

But with a narrow focus on ROI by channel, marketers risk missing the forest for the trees. For example, one luxury hotel chain reports success by increased bidding on a poorly converting generic search term. When measured in isolation, the term looked ineffective. However, once the company stopped bidding on the term, overall online reservations suffered. The generic term appears to have created greater awareness for the brand and provided strong influence to additional touch points – in this case the hotel’s website and marketing promotions.

And while many marketers continue to struggle to measure the value of social activities, the evidence suggests the value of social is not misplaced, but rather, poorly measured. For instance, hotels conducting social media activities frequently see an increase in volume for branded search terms. However, much as with poor understanding of the value provided by early stage search terms, hotels that only measure the last click often fail to recognize social’s role in driving those clicks.

The Internet enables a buffet, where consumers get to pick and choose what fits their needs at a given time. Using the different channels in combination with one another often compounds their effectiveness, with each building on one another and producing a greater result than might be expected. For marketers, this is akin to adding 1+1 and getting 3 as a result.

Analytics – The Holy Grail or just full of holes?

Of course, identifying the cause of these results requires a deliberate measurement focus. However, hotel marketers need to ensure that their measures align with their intended outcome. Frequently, marketers risk confusing “identifiable” with “incremental,” as in the generic term example provided above. Maintaining a “big picture” focus ensures greater likelihood of achieving the desired result.

While a number of solutions have entered the market to assist in identifying the true value of integrated marketing activities, determining the contribution of each component remains elusive. An emerging practice known as “attribution modeling” attempts to provide marketers a clearer view to the contribution provided by each channel and message potential guests see. However, these models vary in their effectiveness and cost. One best practice is to focus first on whether your activities have “moved the needle” relative to a comparable prior period. It’s much easier to determine which efforts contributed to improved performance when that improvement is itself clear.

Focusing on the right success measures

Must every marketing activity result in a reservation?

As seen above, consumers need different prompts at various touch points. Your marketing activities may not always be solely to drive reservations. Be conscious of whether you are looking to drive awareness, interest, desire, action, or ultimately, satisfaction with your brand. Just as your selected media channels must match the desired goal, so must your measures. For instance, multiple hotel companies report that marketing activities

designed to create awareness “failed” when those activities didn’t result in more reservations immediately. Goals such as awareness typically have longer timeframes prior to realizing clear business results and require interim measures to evaluate their effectiveness.

The following table offers suggested objectives, measures and timeframes. By no means is it designed to be comprehensive, but rather to provide examples of how to align these criteria.

Objective	Measure	Timeframe
Brand awareness	Increase in branded search terms following campaign	Long
	Increase in traffic to owned media	Short to long
	Increased earned media activity	Short to long
Interest	Increase in traffic to owned media	Short to long
	Increase in positive earned media activity	Medium to long
Desire	Increased email opt-in/open rates/clickthroughs	Short to medium
	Increased rate shopping	Short to medium
	Increase in RevPAR or rate	Long
	Increased positive earned media activity	Medium to long
Action	Reservations	Short
	Revenue per reservation	Short to medium

Figure 3 - Results of Integrated Activity

Marketers often choose to measure the outcome of individual activities without measuring the impact to overall results. Keep in mind at all times that you may not be able to measure each component of your integrated activities, but you should be able to measure its outcomes.

Some channels lend themselves more readily to measurement while others continue to challenge marketers. As noted, few tools exist that definitively measure the value of social media fans and friends. However, as research shows that “Likes” and shares within social media channels positively affect search engine rankings, among other benefits, it’s clear these media provide value no matter how difficult that benefit may be to quantify.

Benchmarks and baselines

While measuring outcomes often proves challenging, sometimes the simplest measures are the best. Are you seeing an increase in key business measures against a comparable baseline or are your overall numbers flat? Are you recognizing a lift relative to the market? Successful integrated activities should produce measurable increases in target consumer groups above market forecasts. Pay attention to the overall then work backwards to identify how the individual components contribute. To invert a common phrase, if the fishing’s good, you ought to be able to identify where the fish came from.

Conclusion

For years, marketers have quoted John Wanamaker’s adage, “Half the money I spend on advertising is wasted; the trouble is I don’t know which half.” Integrated marketing seeks to put Mr. Wanamaker’s adage to pasture. While you can’t be everywhere online, you can identify your best customers. You can put together a team focused on serving those customers’ needs. You can establish appropriate, shared goals. You can match your goals with your consumers’ preferred channels. And you can focus on measuring the outcomes from those customers.

Integrated marketing seeks to place your attention where it belongs: On your customer. And as successful hoteliers have known for years, you’ll never go wrong caring about your customer.



About HSMAI

The Hospitality Sales & Marketing Association International (HSMAI) is committed to growing business for hotels and their partners, and is the industry's leading advocate for intelligent, sustainable hotel revenue growth. The association provides hotel professionals & their partners with tools, insights, and expertise to fuel sales, inspire marketing, and optimize revenue through programs such as HSMAI's Affordable Meetings, Adrian Awards, and Revenue Optimization Conference. HSMAI is an individual membership organization comprising more than 7,000 members worldwide, with 40 chapters in the Americas Region. Connect with HSMAI at www.hsmmai.org, www.facebook.com/hsmmai, www.twitter.com/hsmmai and www.youtube.com/hsmmai1

About VIZERGY®

VIZERGY® is an award-winning website development and Internet marketing company specializing in providing innovative digital solutions for the hospitality industry. VIZERGY offers complete web presence management, including website design, mobile design, Internet marketing, email marketing, reservations services and social media strategies that help hoteliers turn their website into their most effective distribution channel. Helping drive online revenue since 1998, the company has propelled thousands of branded and independent hotels, resorts and property management groups to success.



For more information on VIZERGY and its services, please visit www.vizergy.com, call 1-800-201-1949 or email sales@vizergy.com. Join us on Facebook and Twitter.

About the Author



Tim Peter helps companies put the web to work to grow their business. Prior to launching Tim Peter & Associates, a full-service e-commerce and internet marketing consulting firm, in early 2011, Tim worked for over 16 years developing innovative e-commerce and internet marketing programs across a variety of industries. Since 2001, he has worked with the world's largest hotel franchisor and the world's premier independent luxury hotel representation firm to help hotels and resorts across diverse segments achieve more than \$2 billion in online revenue. A popular, in-demand speaker, his writings have appeared in trade publications and multiple online sources, and his blog "Tim Peter Thinks" attracts a large following each month. You can reach him at tim@timpeter.com.