

Hotel Marketers Want ROI For Online Advertising

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With predictions that online advertising will grow to \$18.9 billion by 2010 and assertions that the ROI for online advertising is second only to direct marketing, attendees to the recent Hospitality Sales and Marketing Association International (HSMAI) Travel Internet Marketing Strategy Conference, held at the Sir Francis Drake Hotel in San Francisco, CA, were urged to protect their Web sites and their consumers who are being attacked by traffic diversion, identity theft and fraud.

'Overall, the conference, held in conjunction with HEDNA, was highly interactive, with an emphasis on the current state of online travel marketing and advertising, the growing trend in customer-driven content, and what to do about it, and current threats to online marketing, including online crime, trademark infringement, and the growing debate over privacy online,' said Robert A. Gilbert, CHME, CHA, president and CEO of HSMAI.

The attendees represented the top Internet marketing professionals in the industry, with 57% of attendees from 24 hotel brands and hotel management companies and 13 individual hotels, resorts, and casinos, along with 34% from 24 service providers.

Gary Stein, senior analyst for Jupiter Research, presented an address on 'Effective Internet Marketing in a Global Market Place' with a prediction that Internet advertising will grow to \$18.9 billion by 2010 and spending on search advertising will overtake spending on display advertising by 2009. 'If you don't appear on the first page of search results, you don't exist [to the potential customer],' Stein noted.

As the hospitality industry learns how to talk to customers online, there is a growing confidence in return on investment of online advertising as many advertisers are only paying for success. 'Online advertisers are looking for direct conversion,' Stein told the attendees, adding: 'Advertisers must understand the real worth of a click. To do that they have to spend the time to research what happens when someone clicks on their ads.'

Stein cautioned hoteliers that 8 out of 10 potential customers will go to sources outside their control, such as blogs and online reviews, and smart marketers need to make sure they know what is being said about their hotels. 'Tap into discussions about your brand online,' Stein said, adding: 'Data is a marketers best friend, and this is the freshest data available.'

Stein added that video content is also growing online and will be the next big opportunity for online advertising.

Emerging Threats and Protecting Your e-Business was one of the top panels at the conference. Consumer confidence is being attacked from all sides in the online environment and consumer perception will likely drive companies to quickly adopt advanced solutions or risk losing existing and potential customers, revenue streams and brand reputation. Optimizing your presence online goes beyond capturing Web traffic.

This session addressed ongoing and emerging risks to consumer confidence in today's global hospitality environment: the various ways they manifest themselves online, their impact, and what to do about them.

'Risks to consumer confidence include traffic diversion, identity theft and fraud related to your best customers through loyalty program information,' according to Panos Anastassiadis, CEO, Cyveillance, and panel moderator. Other risks of increased online presence include possibility of boycotts, protests, activism, threats against executives, facilities, information leaks and online commentary.

'The challenge today is the growth and sophistication of e-crimes, which result in lost reputation, revenues, and customer trust,' said Anastassiadis. 'You must have an action plan in place if one of these risks is realized,' he urged.

'However, you cannot react to every threat, so you must evaluate the level of threat,' according to panelist Michael Menis, director, Global Marketing Services, InterContinental Hotels Group. 'Protecting our consumers and hotels are our top priorities,' Menis said.

Consumers today are armed with iPods, TiVo machines, Blackberries, search engines, broadband connections and other digital technologies, and they have gained unprecedented control over their media, content and purchasing options. As a result, marketers are facing an increasingly complex web of challenges. The question of how digital advertising and marketing techniques can help achieve objectives was explored by Geoff Ramsey, CEO, eMarketer.

After direct mail, marketers say the ROI of online advertising is the highest, noted Ramsey. However, 'the online experience is fundamentally changing, and marketers need to keep up with it,' Ramsey said. Media is available anytime, anywhere to anyone, including the newest forms with bloggers and podcasters. Marketers must monitor the blogosphere, work with existing bloggers and create your own blogs to connect with consumers.

'Mass reach is giving way to a world of niches,' said Ramsey, adding: 'Marketers need to be willing to go down in the size of audience to increase engagement.'

Nick Nyhan, president, Dynamic Logic provided the closing keynote address on Metrics vs. Privacy: The Safecount Initiative and noted: 'We are in an advertising arms race and waiting for an end to the cold war with consumers.'

Nyhan noted that there is an ongoing battle over the right of web sites and online advertisers to place 'cookies' on the users computer when they visit their sites, and included information on the Safecount Initiative, which is being undertaken by advertising agencies and brands to head off legislation to block the use of cookies, and educate consumers on why cookies are not the same thing as spyware that is being placed on computers to steal their personal information.

Advertisers are increasingly using the digital media landscape to find, engage and measure consumers. While advertisers talk about engagement and accountability, consumers are talking about identity theft, spyware and fear.

'Marketers have to be careful to not bombard people with too much advertising, because in the digital world, people have the ability to block you out,' Nyhan said.

Attendees also enjoyed a networking lunch with roundtable discussions on Trademark protection, blogs and user driven content, globalization, emerging technologies, privacy, multi-lingual web sites, wireless, content syndication/RSS, affiliate marketing, and meta-search.

The new co-chairs of HSMIAI's Hotel Internet Marketing Committee were introduced at the event and include: James Zito, director, interactive marketing & development, Affinia Hospitality and Karmela Gaffney, director, e-customer contact, Best Western International.

Sponsors of the Internet Marketing Strategy Conference included: American Express, Cyveillance, Inc., eMarketer, Expedia, Inc., HSMIAI University, Real Magnet and TIG Global.

The next Travel Internet Marketing Strategy Conference will be held April 19, 2006 in New York City in conjunction with TIA's TravelCom.

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