

Hotel Sites Go Back to Basics

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What's the latest thing in online marketing for hotels? Site design.

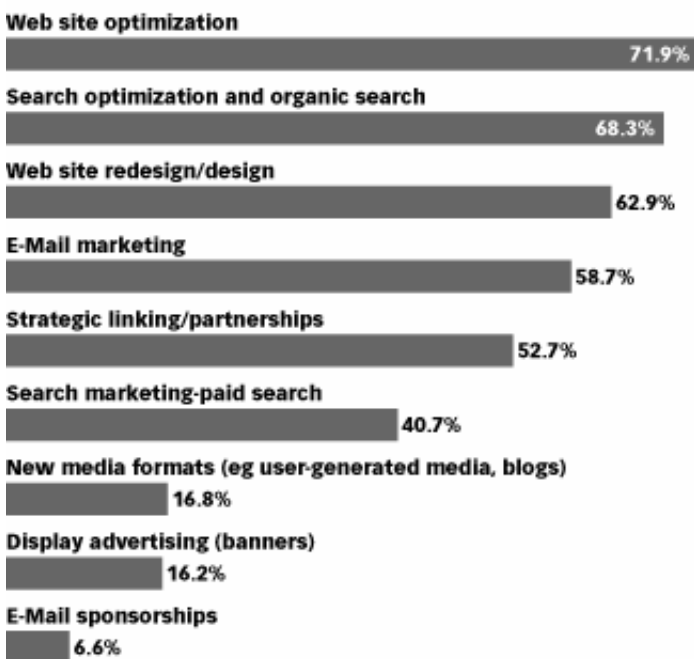
Hotels have awakened to the challenge from online travel agencies, and they are shifting money into online marketing to meet it, according to a new study by Hospitality eBusiness Strategies (HeBS).

The worldwide study of hospitality executives found that 68% of hoteliers plan to shift their budgets from offline to online marketing in 2007.

Emerging media will not be part of the mix for most hotels, based on respondent opinions about what produces the best return on investment (ROI). Web site optimization was listed most often (72%) by hotel execs, followed by search optimization and organic search (68%) and Web site redesign/design (62%).

Only 17% of respondents named consumer-generated media, blogs and their ilk as bringing high ROI. This is particularly relevant for online video, because individual hotel videos are a competitive advantage that many online travel agencies do not have.

Types of Online Marketing that Hoteliers Worldwide Believe Produce the Best Results and the Highest Return on Investment (ROI), 2007 (% of respondents)



Source: Hospitality eBusiness Strategies (HeBS) and New York University Tisch Center for Hospitality, Tourism, and Sports Management, March 2007

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www.eMarketer.com

eMarketer senior analyst and travel specialist Jeffrey Grau noted the motivation behind hotels' focus on the fundamentals, saying that "to compete with online travel agencies, hotels are focusing on improving the usability and functionality of their Web sites."

New media is even more of an afterthought in intended 2007 budget allocations, where it came in among the least allocated Internet budget items.

Online Marketing Budget Allocation according to Hoteliers Worldwide, by Hotel Location, 2007 (% of online marketing budget)

	US-based properties	International properties	Industry overall
Web site redesign	12.2%	15.7%	14.2%
Web site optimization	10.9%	16.4%	14.0%
Pay-per-click/paid inclusion	18.5%	10.0%	13.6%
E-Mail marketing	11.4%	13.7%	12.8%
Search engine optimization	12.4%	10.6%	11.4%
Strategic linking	7.2%	12.1%	10.1%
Consulting fees	7.0%	4.1%	5.3%
Display advertising (banners)	5.0%	5.1%	5.1%
Meta search (Kayak, Sidestep, etc)	4.2%	3.3%	3.7%
New media formats (eg user-generated media, blogs)	2.3%	4.8%	3.7%
Local search	4.9%	2.2%	3.3%

Source: *Hospitality eBusiness Strategies (HeBS)* and *New York University Tisch Center for Hospitality, Tourism, and Sports Management, March 2007*

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Although this approach may seem single-minded, hotel executives are onto something. In a January 2007 study of US ad executives by Outsell, as reported by MediaPost, 75% named company Web sites as effective or extremely effective at lead generation.

Marketing Tactic that Is "Effective" or "Extremely Effective" for Lead Generation according to US Advertisers, 2007 (% of respondents)



Source: *Outsell, January 2007; MediaPost, January 2007*

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Get an in-depth look at social network ad spending. Read eMarketer's [Online Travel Worldwide: A Mosaic of Separate Markets](#) report.

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