

## Hotelier's 2008 Top Ten Internet Marketing Resolutions - By Max Starkov and Jason Price

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Whether you are a major hotel brand, hotel management company, independent or franchised hotel or resort, you can stay well ahead of your competitors and capture new market share with an effective Internet Marketing Strategy. Smart and proactive hoteliers who utilize best practices in Internet marketing, and follow latest trends to their own advantage will define the industry winners and losers in 2008 and over the long term.

In 2008 approximately 40% of all hotel bookings will be generated from the Internet (one-third in 2007, 29% in 2006). At least another third of all hotel bookings will be influenced by the Internet, but done offline (call center, walk-ins, group bookings, etc). By the end of 2010, over 45% of all hotel bookings will be completed online (Merrill Lynch). Now, more than 13 years after the first online hotel booking, are hoteliers taking full advantage of this dramatic channel shift from offline to online? Has the shift increased commoditization of the hotel product? Is there such a thing as customer loyalty in this environment? How can the hotel increase its direct online market share? What are some Web 2.0/Social Media formats and initiatives to consider, develop and implement? The 2008 Top Ten New Year's Internet Marketing Strategy Resolutions, presented by Hospitality eBusiness Strategies (HeBS) for the eighth year in a row, provide some of these answers and action steps.

Whether you are a major hotel brand, hotel management company, independent or franchised hotel or resort, you can stay well ahead of your competitors and capture new market share with an effective Internet Marketing Strategy. Smart and proactive hoteliers who utilize best practices in Internet marketing, and follow latest trends to their own advantage will define the industry winners and losers in 2008 and over the long term.

Here are the **Top Ten Internet Marketing Resolutions** your hotel company should consider adopting in 2008:

1. I will **Generate Robust Internet Marketing ROIs** in 2008 from my hotel's Internet marketing efforts. I understand that just having a hotel website, running some sporadic search marketing campaigns, or even having an Internet marketing budget in place is not enough to generate the ROIs my hotel deserves. I know that often an interactive agency will want me to spend more, a web design shop will want me to redesign my site every year, or a booking engine vendor will want me to spend more marketing dollars, especially if they charge transaction fees. I also know that measuring ROI is the last priority for many vendors out there.

I will become ROI-centric. I will only work with an Internet marketing vendor that provides a comprehensive Internet marketing strategy, and focuses on online marketing formats that generate the highest ROIs. I will demand full transparency in fees and marketing spend, and accountability for results. I understand that with the web technologies available today, anything and everything can be measured, making Internet marketers more accountable than ever before. I will require state-of-the-art website analytical and campaign tracking tools, utilization of industry's best practices, and marketing spend that can be tracked and its ROI determined without a doubt.

2. I will make sure my hotel Internet marketing budget takes a **Holistic View of the Hotel Online Environment** and incorporates a comprehensive, long-term strategic approach. I know that to achieve my ROI goals I must focus on marketing key aspects of my hotel product to my key market segments in my feeder markets, since I know that each of my customer segments requires a differentiated approach, information and offering. I understand that in 2008 my hotel budget should include all Internet marketing 'fundamental' formats (e.g. eCRM, website re-designs and optimizations, organic and paid search marketing, email marketing, strategic linking, display advertising and online sponsorships, seasonal promotions and other direct-response driven campaigns supported by special landing and private web pages, etc.), to position my hotel website at all "points of contact" with potential Internet travel bookers as well as new media formats such as Web 2.0 and social media (blogs, RSS, widgets, etc.).

I will make sure to adopt a Multi-Channel Marketing Model and communicate a single brand message about my hotel across all channels, both online and offline. The shift from more expensive to less expensive distribution channels has become the norm in hospitality. I understand that lessening my hotel's dependence on higher cost channels and driving more revenues through my hotel's website should become the main objective of my 2008 marketing budget.

3. I will take a hard look at how **Best Industry Practices** are being utilized in my hotel Internet marketing strategies and by the hotel Internet marketing vendors. I know that now, after almost 13 years since the first online hotel booking, best practices have been established in practically every aspect of hotel Internet marketing.

I do not want my Internet marketing vendors to 'learn the business on my dime'. I know the Internet is my hotel's most important revenue channel and I will no longer rely on biased advice from vendors, interactive agencies, web hosting and design companies, or vendors that 'keep me in the dark.' I will make it my mission to acquire new core competencies and adopt best industry practices by partnering with leading hospitality experts in Internet distribution and marketing strategies.

4. I will take a hard look at my Internet assets and adopt a robust **Website Re-Design and Optimization Strategy this year**. I know that the hotel website has become the 'first point of contact' with the overwhelming majority of hotel customers and I don't want a visit to my hotel website to turn out to be the 'last point of contact' with this potential customer. I understand that a branding interaction occurs anytime an Internet user lands on my website. I also know that this branding interaction can be: positive (brand-building), or negative (brand-eroding) and I will do everything possible to build a positive brand presence and recognition on the Web. I also know that 71.9% of my peers believe website optimization generates the highest ROI's,

and the second highest portion of the budget should be allocated to this activity (2007 HeBS Benchmark Survey).

By adopting a comprehensive Website Re-Design and Optimization Strategy I will aim to enhance my hotel website's user-friendliness, search engine-friendliness, travel booker-friendliness, and interactive relationship-friendliness. This strategy will deal with the issues important for turning lookers into bookers (conversion rates), improving search engine rankings, and boosting ROIs.

5. I will consider a robust **Web 2.0/Social Media Strategy** as part of my comprehensive Direct Internet marketing strategy. I understand that the new Web 2.0/Social Media environment has forever changed the way customers plan and purchase travel and access information. I also know how customers perceive credibility of information and that there is an 'Ideological Clash' between official content on the hotel website vs. consumer generated content (e.g. customer reviews).

I want to listen to what my customers are saying. I know that I can gain unfiltered insights into the customer experience, and by monitoring sites that contain reviews and comments about my property I can immediately address any issues and act appropriately. On the other hand I know that I can establish interactive relationships with my customers via corporate-sponsored Web 2.0/Social Media initiatives, such as blogs and consumer experience and photo sharing. I also know that as a smart hotel marketer I can utilize the various types and formats of social media to promote my hotel's products and services, and will make Web 2.0/Social Media a line item in the Internet advertising budget.

6. I will continue making the **Direct Internet Marketing and Distribution Strategy** the centerpiece of my Internet strategy, because I know it provides my hotel company with long-term competitive advantages and will lessen my dependence on intermediaries, discounters and traditional channels that are expensive or about to become obsolete.

I know that the leading hospitality brands already enjoy a very healthy 85:15 or even 90:10 direct vs. indirect online distribution ratio, and the Direct Online Channel sales will exceed 62% for the industry as a whole in 2008. I will maintain strict rate parity across all marketing channels and maintain a best rate guarantee, and create unique product offerings designed to provide a unique value proposition to my customers. I will employ a comprehensive Direct Online Channel strategy to encourage, entice, and convert lookers into bookers on my own website. I know that only a comprehensive Internet marketing strategy can significantly increase my direct online sales and shift bookings from more expensive distribution channels to the least expensive channel-my hotel website.

7. I will design my hotel marketing strategy to provide **Unique Value Proposition** to my customers. I will create unique hotel offers based on unique product attributes. I will stop competing on price only. I know that I will never be able to attract and retain more sophisticated travel shoppers and more affluent customers if I compete on price alone. I understand that the third-party online intermediaries have been responsible to a great extent for the commoditization of the hotel product and services.

I will work hard against any further commoditization of my hotel product and services. I will identify unique aspects of my hotel product and destination, and develop a differentiated approach to reach my key customer segments by creating unique specials and packages, event-related getaways, and seasonal promotions. I will launch one-to-one marketing initiatives to provide unique value and personalization.

8. I will embrace **Electronic Customer Relationship Management (e-CRM)** as part of my hotel's 2007 strategic objectives and develop programs and action steps to address all main e-CRM aspects: knowing your customer, customer service in this interactive age, personalization, one-to-one eMarketing, and building customer loyalty. I will continue building interactive relationships with my customers. In this new online environment I don't just want to provide great service to my guests, I want to 'own' the customer throughout the travel planning and decision making cycle and not allow the third-party online intermediaries to own my customers. I will focus on building customer loyalty via reward programs and other eCRM initiatives, via product differentiation (offering unique value proposition, de-commoditization of the hotel product), and via customer differentiation (know your customer, personalization, reward programs).

I will make it my mission this year to build mutually beneficial interactive relationships with my customers in order to increase repeat business, boost revenues, and retain loyalty.

9. I will make it my mission in 2008 to implement state-of-the-art **Website Analytics and Campaign Tracking Functionality** on my hotel's website. I understand how important it is to track real time ROIs from website and Internet marketing campaigns, and educate myself on what works and what does not. I will no longer accept basic or 'free' analytical tools that do not provide me with the full picture of traffic-conversions-pathing behavior, or analytical tools that do not tell me how and why people find my website and book, as well as origins and demographics of visitors and bookers. I will know exactly which Internet marketing campaigns-search marketing, email marketing, display advertising, strategic linking, etc., produce bookings and revenues and at what ROI.

I will demand from my Internet marketing vendor 24/7 access to such a state-of -the-art analytical tool, and it must be the leading industry tool used by the major hotel brands and industry players. I will demand my hotel website booking engine vendor supports such a website analytical tool. And if my current vendors cannot accommodate my hotel, I will replace them in a heartbeat. For my franchised hotel, I will demand 24/7 access to the analytical tool my hotel brand is using, and will seriously re-consider my future brand affiliations in case my current brand cannot provide me with access to real-time analytical data.

10. I will become a **Smarter Internet Marketer in 2008**. I will devote attention to professional development in Internet marketing for myself and my hotel staff. I will no longer be kept in the dark by outside vendors or misled by self-proclaimed Internet marketing gurus. I will stop working with Internet marketing vendors that do not care about my professional development or hide online marketing best practices and insights from me and my staff. I like to have a crystal-clear understanding of what are the best practices and latest trends in Internet marketing in hospitality. What works and what

doesn't and why. I recognize I don't have all the answers and that there are thought leaders and other proven professionals who can help me and my company stay competitive in this highly dynamic online travel marketplace and generate the highest ROIs.

I will work with Internet marketing experts to disseminate eKnowledge and best practices, making my team stakeholders in the corporate Internet marketing efforts. I will hire experts who can teach me and my staff best practices and keep us apprised of the latest trends. These Internet marketing practitioners will provide crucial professional development as well as guide our direct Internet marketing strategies, online brand building strategies, e-CRM, website re-design and optimization, search and email marketing, and Web 2.0 initiatives.

**From this day forward I will be in control.** I will seek advice from an experienced Internet marketing hospitality consultancy to help me navigate the Internet and utilize the Direct Online Channel to its fullest potential. As I prepare for the year ahead, I will work with an experienced, strategy-oriented, ROI-centric and accountable hospitality Internet marketing firm, keeping in mind that my hotel website is my most cost-effective revenue channel.

Note: Mariana Mechoso, Manager eMarketing Services at HeBS, also contributed to this article.

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