

Lodging Interactive Offers Hotel Marketing Guidance In A Soft Economy

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We are hearing some concerns from our clients about the various projections about the soft economy. Most projections and actual indications are that our overall economy will slowdown in 2008 due to a number of consumer related reasons such as gas prices, mortgage foreclosure and labor cut backs. With this said, the projections for the travel and hospitality industries are still moderately good, but the slowdown in consumer spending will affect certain market segments.

Revenue and sales projections are being adjusted slightly downward. With the latest news in mind, it is not all gloom and doom but it is a good time to review your initial 2008 sales projections and marketing strategy.

We all know how competitive the hospitality industry is and how it is impacted by consumer trends and buying patterns. The current economic situation does make for an even more competitive situation. But, reducing room rates is not the best competitive solution! An effective sales strategy is not always about price! If the business traveler, vacationer or meeting planner market segments are all about price there are always low cost hotels and services in your market that offer less service at a lower price. In the current environment it is more about value. Who is clearly offering the best services, convenient location, special packages and accommodations at a competitive price?

The cliché 'you have to spend money to make money' really comes into play in tough times. To help retain or build new business in tough times, you need to revisit your marketing plans and budgets and look for the best possible return on your marketing costs. It's not a question of cutting marketing but managing it a little closer. Cutting your marketing expenditures is like lowering your rates, it will result in less business and a lower REVPAR.

The good news in this soft economy is what the Internet can do for you! More than half of your business is a direct result of your Internet presence. Whether it is an online sale, phone or direct sale there is no doubt that the shoppers have done their research online. The average online shopper will Google hotels or resorts for the location, local events, local attractions and property services that they want and with no relevance to price. Then they will check into social media to see what past guests have to say your hotel or resort. Finally, they are likely to compare prices, but they will have already formed an opinion on value.

As sure as the economy will continue to struggle, you can rest assured travelers and vacationers will continue to travel. But, they will be looking for the maximum return on their expenditures and there is no better way to present your value proposition than online. Again, you need to spend money to make money and it is important to market wisely. A good Internet marketing strategy must include search marketing, website marketing and a proactive social media strategy. The benefit of Internet marketing is the ability to measure your results, adjust quickly and target your hotel's market segments. You can reach the best prospects that offer the greatest potential and convert sales without lowering your prices.

Even in a slow economy we've seen our client's online business grow. And the growth is generally better than alternative marketing channels. To win, you have to market more aggressively, monitor your website and search results closer so you can see where you can improve on your ROI. For example, search engine optimization and advertising can target shoppers on more than just a brand name or your city. All of your competition and resellers are on that search page. If your website is found on a search page where the search is for a specific local event or interest you have a greater chance of attracting a shopper to your website and converting a sale. Target your search terms on groups, meetings, weddings, specials that relate to local attractions and events and, of course, package deals. You need special packages with bundled services that offer value without reducing your room rates. Or package it so you make up a rate reduction on peripheral services.

Other ways an aggressive Internet presence will drive business is by turning the online chatter into marketing intelligence. Spend a little to stay informed, but not unless you have a plan on how to use that information. Apply good and bad review information internally to help improve your services, reply to reviews where you can to offset negative chatter and to highlight good chatter. Keep your website content fresh and informative, don't expect a shopper to read a lot of text on your web pages, cut the garble that is there for optimization purposes. The average shopper spends less than 10 seconds reading a web page.

The bottom line here is very clear, the battle for market share is going to be tougher in the months ahead and hotel rates are at an all time high. Now let's keep them at the best possible level and continue to drive market share. When times are tough it's time for smart marketing not rate cuts. You may want to consider cost cuts in print advertising, online banners and paid listing. Look for marketing that is measurable in lead generation and direct sales conversions. If your brand is generating 25 to 50% of your sales focus on where the other business will come from. What share of your business is weddings and small meetings? Focus on responding to groups and meeting faster with more information. Know what your actions, it's time to re-evaluate your marketing plan and expectations and the Internet can accommodate fast and effective changes.

About Lodging Interactive

Lodging Interactive is a leading provider of Internet Marketing Services to the hospitality, spa and restaurant industries. The company provides a portfolio of effective Internet Marketing Services to hundreds of hotels, resorts, timeshares, spas and restaurants. Clients included branded hotels from nearly every major brand as well as prestigious, landmark independent hotels.

The Company offers effective online tools and services: ChatterGuard.com, an online social media monitoring and reputation management system, CommentCards.com, a full-service business-2-consumer comment card service, eProposalSystem.com, an online RFP response system hotel Sales Managers, RFPLink.com, a group RFP lead generation and reporting system, HotelDirectBoook.com, a consumer hotel portal site and DiningClick.com, Internet Marketing Services for the restaurant industry.

Lodging Interactive is a proud member of the American Hotel & Lodging Association (AH&LA), The California Hotel Association, and a supporter of the Hotel Sales & Marketing Association International (HSMAI). For more information contact Richard Walsh, Vice President of Business Development at rjwalsh@lodginginteractive.com or at 877-291-4411. The company's website is located at www.LodgingInteractive.com.

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