

Six Ways Web 2.0 Helps In a Weak Economy

2008-04-14

In a softening economy, hotels frequently choose to play a defensive game. The traditional response to lower reservation demand might be to freeze spending, lower rates and cut a few corners. While simplified here for the sake of discussion, this recipe of broadening the customer base and restricting spending has proven a classic response to bottom line concerns in previous recessions.

What is different about this downturn is the transparency brought by web 2.0 sites in the operational sphere. In past recessions, an unhappy guest turned up by phone call, comment card, letter or by marching to the General Manager's office. Today, that guest is likely to comment negatively on third party sites as well.

While in the past, expense reductions leading to guest dissatisfaction were dealt with silently and privately, today's wave of traveler reviews gives every guest a megaphone that reaches millions. Every bit of marketing by Expedia, Travelocity, or Hotels.com drives traffic to their sites, sites containing thousands of reviews that either close a sale or cause a buyer to move to the next hotel on the list. Critically, many guests (up to 56% in one recent survey) shop on third party sites for comparison, but book on brand sites. So even if the majority of reservations come from a brand site, negative exposure may still have an adverse impact.

By far, the worst review to read is one that starts with 'This hotel has really gone downhill...' With recession 'looming', as some are saying, here are some steps and reminders that might help you wade through the coming months:

1. It's the Value, not the Rate that counts. Successful hotels take into account frequent flyer benefits, location and quality when setting rates, not just what the hotel next door has done. The hidden factor of rate is page visibility, especially on third party sites. It is wise counsel to not match a \$40 lower rate on page five of Travelocity if your hotel is on page one. Remember that being visible means you will get more attention, but if photos and traveler reviews do not demonstrate the value proposition, buyers will move on to the next hotel.

2. Be virtually dynamic. If a hotel has secured page one positioning on Expedia over critical need dates, but the last three reviews on the site indicate poor service, the impact of such placement may be affected. For this reason it is important to encourage dynamic content on third party review sites by letting guests know such feedback is encouraged. Since the vast majority of hotels meet customer expectations, there is no need to fear. Otherwise, use objective commentary to spur improvement plans and capital dollars.

3. Monitor multiple sites important in revenue generation. More than just the brand site should be reviewed daily, even if seamless connectivity exists with key 3rd party sites. Page position, photos and customer reviews play a critical role in the value proposition, so it is important to not just monitor the rate.

4. Opposition research is essential. With a greater emphasis on sales bookings, it is worth the time to ensure your team is educated on the competitive set. Here, traveler reviews on 3rd party sites may be very helpful. Increasing numbers of meeting planners are avoiding travel and researching hotels through photos and reviews, especially for smaller meetings. From this angle alone, it is important sales teams be 'virtually educated' in order to be conversant.

5. Be objective about your hotel's flaws. Just as your team is focusing on the competitors, so will others be focused on your flaws. Objective examination of 3rd party sites for concerns, especially when compared to internal comment cards, may illuminate frequent problems leading to competitive vulnerability. Armed with this information, a plan may be put in place for prevention of problems. Granted, some problems may not be preventable, but having a team that understands the renewed urgency of handling 'the same old problem', in a business as unusual way, will yield benefits.

6. Harness the entire team in achieving satisfaction. Frequently, comments are discussed and tracked at a management level, but are not alive at a line level. Moving reports into easy to understand dashboards, graphs and actionable comments is essential to affecting the choices employees make daily to enhance the guest experience. These easily read formats should be available in all departments and discussed regularly. Critical to this process is explaining that negative reviews on 3rd party sites may reach thousands and must be avoided.

Remember when we feared an angry customer might tell ten people? Now they might tell millions in the virtual world. Still, some may consider investing time and money in monitoring traveler reviews as an unnecessary expense, especially in a soft market. This thinking ignores the transparency brought by Web 2.0 sites which will directly impact conversions on third party and brand sites. Any plan to react to the economic downturn must address this fundamental and permanent change in the hotel playing field.

New Ads by Hotels.com Confirm Focus on Traveler Reviews

Increasingly, OTA's are focusing on the social networking aspect of their sites. Riding the train of consumer empowerment brought by Web 2.0, sites such as Expedia, Priceline and others have augmented their advertising to include mentions of customer reviews.

Hotels.com has gone so far as to launch an advertising campaign based solely on their reviews. Several ads have hit the airwaves, targeting consumer reviews as a way of empowering consumers with the hammer of public feedback. Each ad focuses on improved treatment for the guest booking on Hotels.com because hoteliers know public reviews may result.

If you haven't seen these awesome Hotel.com ads, you may view them here:

Fur Robe Ad:

http://youtube.com/watch?v=-Q-dbaZap_0

Suitcase Ad:

<http://youtube.com/watch?v=c7VeLY6RqfI&feature=related>

Shampoo Ad:

<http://youtube.com/watch?v=M6onQLgC1Ck&feature=related>

Bellmen Ad:

<http://youtube.com/watch?v=LV8l4TkDraY&feature=related>

About Avalon Report Corporation

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The Avalon BUZZ Report(C), the industry's first to market Web 2.0 solution, tames the wild west of Consumer Generated Content, delivering complete traveler reviews and ratings, candid traveler photos, videos, property descriptions, total number of reviews and average scores per site. With a click of a mouse, the time saving, on-demand service summarizes all key elements of virtual social networking visibility in easy to read, graphics rich dashboard and excel formats. Intuitive reports ready to post in every department within your hotel. Start a dialogue with your entire team and improve from your virtual guest comments with the Avalon BUZZ Report(C).

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