

Anatomy of an Internet-Savvy Hotel Manager - By Neil Salerno

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It's 1:20 am and the hotel manager is reviewing last month's profit & loss statement, room revenue is below planned budget and expenses were higher than ideal. That's not great news, but the really bad news is that forecasted revenue looks weak for the next several months. Something has to be done quickly.

This scenario is not uncommon, the challenge is to drive more business and/or cut expenses but deep cuts in expenses will usually begin to negatively impact service levels. This could easily start the dreaded downward spiral, poor service levels would lead to less business, which would lead to further cuts and on and on. After months and months of boom business, gas prices and the economic downturn are beginning to catch-up to the hotel industry.

The conundrum is that the hotel industry has always been reactive, rather than current, to the economy, often enjoying good business levels for months after a downturn begins and suffering that downturn for months after the economy recovers. Smart hoteliers know that last month's revenue is more likely the result of what marketing was done, or not done, several months ago, positive changes made today can take months to show substantial improvement.

Many years ago, when I was a sales pup, this scenario was more depressing than it is today. We simply had no sales or marketing vehicle which could or would produce quick results. Most hoteliers have never been advocates of advertising, few hotels have the money with which to advertise on a scale which would be beneficial. Advertising programs are expensive and provide no benchmarks or promises for producing results and could take months to show those results.

The answer is to have a strong Internet marketing program. But, before you flinch, it doesn't have to cost a fortune and the payback is relatively quick. The fact is that many hotels are paying far too much for web site design and allocate too little or nothing for generic search and sales promotion. The savvy hotel manager understands that an attractive site isn't necessarily a productive site and any site needs to be promoted to be successful.

The most unique and wonderful element of Internet marketing is that results are almost totally measurable, something we could never achieve with media advertising. Sometimes, even a small change or addition can make a huge improvement in reservation production. The ability to quickly measure the impact of that change is priceless.

The true function of any kind of promotion is to produce incremental business. The Internet savvy manager isn't satisfied with simply knowing how many people sees his/her ad (web site), it's the number of reservation conversions that count, that's measurable too.

Using the Internet during Difficult Times

Faced with these challenges, the Internet savvy manager turns to the Internet. Due to the sheer nature of the Internet and the ways, in which people use it, the Net has the ability to produce quick and lasting results.

The Internet-savvy manager knows that a properly designed web site is the foundation of any successful online sales effort. The big question is 'what is a properly designed web site?' There are those who believe that all one needs is a web site which demonstrates hotel facilities, amenities, and services, with plenty of photos. The fact is that this information alone does nothing to help make your site searchable. Before you commit to paying for a new site, make certain that the company knows why and how people select hotels on the Internet and what sales elements are necessary.

The Internet savvy hotel manager knows that the best place to start is to have someone analyze and evaluate the 'workings' of your hotel's web site. This makes sense even if you have already decided to have a new site developed, this analysis will act as a guide or blueprint to avoid mistakes on the new site with the how's and why's to incorporate certain necessary elements.

Third-Party Travel Aggregators

The Internet savvy hotel manager also knows that Third-Party sites still play a huge role on the Net. Hotel franchise sites have improved greatly and some are finally participating in pay-per-click advertising and generic search protocol, but third-party sites still hold the advantage with the unique ability to sell total travel, air, hotel, and car rental.

It may be painful, for some owners and managers, to actually pay a commission to help fill vacant rooms, but this makes far more sense than reducing rates on all your rooms, which never works. Most, if not all, business derived from online agencies would not have been booked directly with the hotel. Stop thinking of third-party sites as competition and start recognizing them as an additional sales source.

Social Media Dilemma

Our industry is still struggling to find ways to utilize the sales potential of social media. The one area of social media which is currently viable for hoteliers is travel oriented social media such as TripAdvisor. This area of social media has become a valuable collaborator with the hotel industry.

One of the results of the popularity of Internet and electronic sales has been to create a void in the personalization of travel. When it was necessary to call to make a hotel reservation, travelers had an opportunity to ask questions and 'feel good' about their reservation choice. TripAdvisor provides the valuable service of allowing travelers to read comments from satisfied travelers to validate their reservation choice.

Hoteliers should closely monitor travel social media sites like TripAdvisor. Good, even bad, comments from your guests will provide you with valuable information to improve your product and services. Comments from former guests can also provide hoteliers with insight into new marketing opportunities to build business.

Destination-Focused Marketing

The Internet savvy hotel manager understands that the selection of a hotel almost always comes after the decision to travel to a specific area. Knowing this, a savvy hotel manager decides to provide the 'reasons' to travel to where the hotel is located. This can be done in the form of destination-focused marketing and the listing of activities and attraction on the hotel's site.

Travelers search the Internet for activities and places to visit, D/F marketing can help them to also find your hotel.

The Bottom-Line

The Internet savvy hotel manager recognizes that, properly used, the Internet can provide valuable market exposure and incremental business for his/her hotel. In these uncertain times, the Internet can produce a large portion of a hotel's overall business. Become Internet-savvy, it could become the difference between success and mediocrity.

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