



## Hotel internet marketing - in-house or outsource?

Recent research statistics show that 20 to 25% of the average hotel's reservations originate from some interaction by the guest through the Internet. This interaction is either as a part of the selection process or a direct online reservation. This percentage is based on actual bookings and it does not consider the telephone bookings that are generated from Internet searches and references. In the months ahead, hoteliers will realize more than half of all their reservations are a direct result of Internet searches and information.

Will these reservations come through a hotel's proprietary website, the brand website or a 3rd party website? The answer is yes! Yes, online reservations will be made through all of these channels from travelers, travel planners and secure extranets that are connected to various Internet channels. How you market your hotel on each of these channels and probably some new ones, such as the meta search engines is crucial to your business. Successful hotel marketing requires a solution for each.

Gone are the days when hotel marketing was a bold listing in a directory, a 4 color brochure and a connection to the GDS. The amazing shift in sales channels and buying patterns over the past five years has turned the hospitality industry upside down. I would use the term "paradigm shift", but that is way too trendy.

Now is the time to re-evaluate marketing strategies! Hotel sales are up, room rates are up and the percentage of guest booking through the Internet is escalating at a record pace. The battle of the heavy weights for the guest bookings is on between the brands and the 3rd party merchant sites. The hotelier has to decide what level of inventory and rates will generate the best return from the brand's Internet and GDS bookings compared to giving away half of their rate to a 3rd party merchant because they do drive sales volume. Mr. Hotelier, remember when the concern was whether to pay a 15% commission to the travel agencies?

There is no doubt that the sales channel for today and even more for tomorrow is the Internet. Hospitality marketing has changed significantly and it will continue to change as the Internet and search engines change. It doesn't matter anymore whether your hotel is a five star deluxe in Manhattan or a two star at interstate exit 25 or whether you are a mountain resort or an urban conference center.

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Your website content, search engine position and link affiliations are part of the selection and reservation process by your future guests.

The strategic business decision facing most hoteliers today is whether to take on the personnel and related overhead that is required to manage an effective Internet marketing program, to rely on their brand or to outsource and manage the relationship with a professional Internet marketing agency. There are clearly a growing number of new online marketing tools that can help enable an in-house Internet marketing effort. And, the number of marketing agency choices is overwhelming.

For an effective in-house Internet marketing program, you will need a marketing staff, the demands far out weigh what one marketing manager can do. One person is needed to focus their efforts on managing your traditional marketing programs. Another person, possibly a webmaster, is needed to keep your website current, fresh and appealing. Add an eCommerce manager to manage your daily organic and paid search campaigns as well as interacting with the Webmaster and directing email promotions and broadcasts. And finally, someone has to analyze the Internet data to determine and define the changes and updates that are required so senior management can make an informed decision.

Then there is always the risk of a key marketing person leaving the company. This immediately creates an urgent need for replacement by someone who is proficient with the same Internet programs used by their predecessor or you will have a transition delay in your marketing until the new Internet services are implemented, not to mention termination of existing licenses and contracts.

Today's web-based tools and on-line services are great, but they all require a certain technical aptitude, along with time and talent for creative design, system monitoring and interpreting results. Doing your own Internet marketing in-house definitely gives you control. On the other hand, your delays, mistakes or distractions will cost you significantly over time.

One alternative to an in-house eCommerce Department is to rely on your brand to market your property through a page or two for your hotel on their site. We all know the risk factor here. The brand's marketing priorities focus on selling the brand and not your specific property or market. The strategy with most brands does not take into consideration such property specifics as location, local events

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and attractions, groups, supplemental services (dynamic packaging) or other factors that are unique to the property.

The brands are clearly improving in their Internet marketing efforts, but their values do not change. Their priority is to generate sales volume across all hotels based on the value perception of the brand, brand specific promotions, brand frequent stay programs and other brand specific programs. The brand is an essential element in any successful marketing plan much like and equal to the benefits from the 3rd party sales channels. But, it can be a mistake to assume the brand is your Internet marketing solution.

Another alternative is to outsource your Internet marketing to an Internet Services Agency. But only when there are clearly defined expectation between you and the agency and a measurable set of benchmarks included in the service agreement.

You need to keep in mind, that the basic requirements for a good Internet marketing service are quit different from those that are generally available from traditional advertising agencies. The primary requirement, in addition to a definitive agreement, should be that their core competency is rooted in the hospitality or travel industry. Only those of us in the hospitality industry understand the challenges presented by the variable demands of owners, management companies and the day to day property level business operations. A service as critical as your Internet marketing demands that your supplier(s) clearly understand the unique demands from your guests and the value of each sales channel, including non-Internet channels.

The fundamental nature of the Internet, unlike traditional image or value marketing, is rooted in its ability to enable comparison by the shopper as well as its ability to search for customer/shopper/prospect relational criteria. This is why the importance of the Internet search engines and their peripheral services are so important. The search engines capitalize on the pure nature of the Internet's ability to empower the customer/shopper to select a hotel based on key marketing factors (keyword or phrases) other than the brand name and to compare their findings.

The marketing factors include location, personal preferences, price, special promotional offers, property specific dynamic packaging and other property specific services and amenities. To implement a successful search engine

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marketing program either organic or paid requires elements that are not provided by most brands, marketing services that require constant updates of rich optimized website content, page updates, relevant links and more as the search engines change their algorithms on a daily basis. To create and maintain an effective Internet marketing program requires man-power with experience, an aptitude for automated systems and time or redundancy.

The true bottom line for every hotel's Internet marketing program is measured by its conversion rate. This is the ratio of sales to website traffic and it has a direct impact your true benchmark of success . . . REVPAR and ROI results!

In conclusion, Internet marketing is strategic to your overall marketing efforts. Whether you manage hotel Internet marketing in-house with online tools, depend on your brand or you outsource, if you are not getting a minimum return of five to one on your invested time and cost, it is time to re-evaluate your strategy. You need a clear strategy with defined measurable expectations as well as some flexibility in your plan to accommodate unexpected changes resulting from new Internet services and opportunities.

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**About Hotel Traffic Builders (HTB):**

We are a full-service digital marketing agency dedicated to the boutique hotel & residential resort industry.

Our mission is very simple: ***"To maximize sales success by providing our clients with exceptional internet marketing results"***.

Our clients consistently enjoy industry leading success because of our dedicated focus and experience. Our use of state-of-the art tools, best in class technology and wealth of industry experience enable us to provide full solution applications. We recognize that our clients are experts at running their hotels, and our role is to develop and maintain online marketing leadership for our client hotels.

We differentiate ourselves through:

**Industry Expertise**

We have a singular specialized focus on boutique hotel, resort and vacation home e-Marketing. Our sole goal is to be the best at what we do by ensuring maximum success for all of your e-marketing activities. Our 52 person design and development technology team delivers unparalleled quality and results. Our sole focus is resort marketing.

**Individual Customized Creative Approach & Solutions**

Every client has unique needs, opportunities and priorities, our e-Marketing plans are always custom built and based on in-depth research of your specific hotel.

**Cutting Edge Technology**

We use proprietary state of the art tools and applications that enable project efficiency, measurability and success of your e-marketing. We not only promise success, we document it in a 24/7 real-time secured private reporting platform that we create for every hotel client. Our clients never wonder about how hard their marketing dollars are

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working because they always know!

**Return On Investment**

The true measurement of our success is our proven ability to deliver reservation bookings. We grow booking results year over year, and we grow advance bookings, which result in higher occupancy levels and ADRs.

**Contact us at:** [www.HotelTrafficBuilders.com](http://www.HotelTrafficBuilders.com) or call us **954-421-6399**

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