



Hotel marketers need to build digital relationships with customers

For anyone in the hotel business, it won't come as a surprise that consumers crave researching and purchasing travel online. The online revolution has been afoot for some time now, but consumer expectations and e-marketing tools now available to hoteliers is changing everything. From the dynamic of how consumers interact with the internet while making travel purchase decisions to the way hospitality professionals must market their products.

Today's leaders in online travel sales may be tomorrow's also-rans, while emerging sites have the potential to dominate the landscape. Already travel is the monster force in electronic commerce. In fact according to Terry Jones, the founder and former CEO of Travelocity, it's larger than the next four categories of electronic commerce combined. That's some serious numbers.

According to eMarketer, online consumer travel sales hit \$79 billion in 2006 and will grow at a 17 percent annual rate before reaching \$146 billion in 2010. From 2002 - 2006 annual growth rate averaged 28 percent. Thirty seven million households booked travel online last year and by 2010 its expected 51.1 million households will book travel online.

"The internet changed how travel product was priced and distributed, and distribution costs [changed too]," said Jones. "People will take chances on other brands because they can search and see themselves." Today many of Hotel Traffic Builder's resort clients depend upon e-marketing to generate far more than 70% of all bookings reports Tom Hill, Managing Director of Florida based HotelTrafficBuilders.com

Hill said the world of advertising is being dramatically reshaped and competition is only a mouse click away. And since it only takes a fraction of a second to get another company's price on a similar product, that makes the market "hyper competitive." "The balance of power is shifting. We have a much more powerful buyer and now [marketers] need to build digital relationships with customers," said Hill.

That's making it tougher for marketers to not only cut through competitive clutter, but also makes it harder to achieve pricing premiums. The good news for consumers and innovation too, is this marketing metamorphosis is forcing lodging executives to rethink their products. Those that depend on getting the edge through pricing alone are in danger of losing competitive advantage. To be successful going forward it's all about creating value through having very specific points of differentiation.

"There is a tsunami of change going on in the media and marketing world," said Geoff Ramsey, CEO of eMarketer, a firm that provides market research and trend analysis on internet, e-business, online marketing, media and emerging technologies. "It is getting rough out there for marketers."



But don't expect any incredible single leaps forward said Henry Harteveltdt, VP, Forrester Research. Instead, expect a constant series of tweaks and changes that will eventually change everything travel distributors currently do.

"The future of travel and hotel distribution will most likely be marked by a constant state of evolution rather than a few major revolutions," said Harteveltdt earlier this year. "By 2021 what passed as merchandising in 2006 will look prehistoric."

Additionally, meta-search travel engines – those that aggregate prices from a variety of sources -- will increase their importance. According to Forrester Research, they now account for 13 percent of sites used to browse travel products, up from 8 percent just last year. Seventy-four percent of hotel guests who research travel on a meta-search site purchase from a travel agency site and 60% use a supplier site.

Within the hotel industry, booking online has become the most popular way to reserve a room behind calling the property directly, according to DK Shiflet & Associates. In 2004, internet booking surpassed the 800 number and has been ahead of travel agents and corporate travel planners since 2000.

Jones said travel industry suppliers have been gaining strength against online travel agencies, successfully capturing the majority of bookings. He said 54 percent of online shoppers start with an online agency, but half book with a travel brand's site. Of those that book at major brands, 71 percent are seeing to a best rate guarantee. Anecdotally, he said people want to be able to easily make reservation changes, something online travel agencies cannot provide.

Conversion rates of lookers to bookers remains flat as well, Jones said. In 2006 Expedia saw five percent of its potential customer's book travel, while Orbitz achieved a four percent conversion rate. "Travel sites share is continuing to decline, people want to book direct."

Finally Jones noted that putting up reviews on proprietary travel sites not only engages the consumer but it creates a new level of trust. He said 21% of online traveler buyers look at reviews which influences travel decisions. "You have to communicate their way. There is no was you can predict which door they will enter through, they all have to be open and work the same way," said Jones.

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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:

HTB e-Marketing Success Formula: CREATE. TRACK. ANALYZE. OPTIMIZE.

**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 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 or call us **954- 421-6399**