



Hotelier's 2006 Top Ten Internet Marketing Resolutions

The ten most important things a hotelier should be considering in 2006 | By Max Starkov and Jason Price

Presented for a sixth year in a row, The Top Ten identifies major trends and priorities, and provides action steps to help hoteliers stay ahead of the competition and capture new market share with an effective Internet Distribution and Marketing Strategy. Smart and proactive hoteliers who utilize the Internet to their own advantage will define the industry winners and losers in 2006 and over the long term.

Background:

In 2006, 27%-29% of all revenues in hospitality will be generated from the Internet (25% in 2005, 20% in 2004). Another 27% of all hotel bookings will be influenced by the Internet, but done offline (call center, walk-ins, group bookings, etc). By the end of 2007, 39% of all travel sales will be online (Merrill Lynch). Are hoteliers taking full advantage of this dramatic channel shift? Has the shift increased commoditization of hotel rooms and the overall experience? Is there such a thing as customer loyalty in this environment? Can one compete with the intermediaries? Has the online channel become the company's fastest growing revenue channel? Is there more a hotelier can do to compete and succeed? The 2006 Top Ten New Year's Internet Marketing Strategy Resolutions, presented for a sixth year in a row but in today's context, by Hospitality eBusiness Strategies (HeBS) provides some of the answers and action steps.

The 2006 Top Ten:

Whether you are a major hotel chain or hotel management company, independent or brand hotel and resort, you can stay ahead of your competitors and capture new market share with an effective Internet Distribution and Marketing Strategy. Smart and proactive hoteliers who utilize the Internet to their own advantage will define the industry winners and losers in 2006 and over the long term.

As part of your 2006 marketing resolutions, here are the Top Ten Internet Marketing Resolutions your hotel company should urgently adopt:

1. I will make 2006 the “**Year of Establishing my Hotel Company's Internet Marketing Dominance**”. I know a direct sale can cost me as low as \$3.00 per website booking. I will shift additional resources from traditional marketing channels to the online channel and especially to my number one direct sales channel, my website. I will focus on further enhancing my Internet presence and visibility via a robust direct online distribution and marketing strategy, including website optimization, search marketing, email marketing, link creation, and online sponsorships. I will deepen my interactive relationships with my customers. I will further lessen my dependence on online intermediaries.
2. I will turn the **Multi-Channel Marketing Model** into my hotel company's primary marketing strategy. This model requires a single brand message to be communicated across all channels. I know that this model requires rates, marketing message and interactive customer relationships to be established and maintained across all channels, online and offline. I will utilize traditional marketing channels to shift business and market share from offline to online and convert customer relationships from passive to interactive.
3. I will develop a comprehensive **De-Commoditization Strategy** to provide a unique value proposition to my customers. I understand that the online intermediaries and discounters have been responsible to a great extent for the commoditization of the hotel product and services. I will work hard against the commoditization of my hotel product and services. I will identify unique aspects of my hotel product, destination and develop a differentiated approach to my key customer segments. I will create unique specials and packages, event-related getaways, seasonal promotions and launch one-to-one marketing initiatives to provide unique value and personalization.

4. I will continue **Building Interactive Relationships with my Customers**. In this new online environment I don't want just to provide the guest services, I would like to "own" the customer, and not allow the online intermediaries to own my customers. I will make it my mission this year to build mutually beneficial interactive relationships with my customers in order to increase repeat business, boost revenues, and retain loyalty.
5. I will make **Direct Online Marketing and Distribution** the centerpiece of my Internet strategy, because I know the Internet is the ultimate "Direct Distribution Medium" and it will provide my hotel company with long-term competitive advantages and lessen my dependence on intermediaries, discounters and traditional channels that are expensive or about to become obsolete. I will employ best practices in all Direct Channel strategies such as rate parity across all channels, best Internet rate guarantee, website optimization, search engine marketing, email marketing, link creation, loyalty and retention programs, online sponsorships, and trust building to encourage, entice, and convert lookers into bookers on my own website.
6. I will continue to lessen my exposure in the **Indirect Online Distribution Channel**. I will maintain strict rate parity across all marketing channels and maintain a best rate guarantee. I will preserve rate integrity and avoid brand erosion in today's multi-channel marketing environment. I will not be taken advantage of by the Web-proficient online intermediaries. I know that online intermediaries need me more than I need them, as bookings for my hotel generate margins of \$50 to \$75 or more for the intermediaries as opposed to margins of \$5-\$10 in the other travel sectors (for car rentals and airline tickets). I will limit my exposure in the Indirect Channel to only a selected number of hotel-friendlier intermediaries and will make it my goal to reach the leaders in the industry who already enjoy a "controlled exposure" of 25% or less in the Indirect Online Channel.
7. I will adopt an ongoing **Website Optimization Strategy** and turn it into a top priority. I know that the hotel website has become the "first point of contact" with the overwhelming majority of hotel customers and I don't want a visit to my hotel website to turn out to be the "last point of contact" with this potential customer. I understand that a branding interaction occurs anytime an Internet user lands on my website. I also know that this branding interaction can be: positive (brand-building) or negative (brand-eroding) and I will do everything possible to build a positive brand presence and recognition on the Web. I will create sticky, keyword-rich product and destination content, add customer-centric functionalities and features, launch private and landing pages. By adopting a comprehensive Website Optimization Strategy I will aim to enhance my hotel website's user-friendliness, search engine-friendliness and travel booker-friendliness. This strategy will deal with the issues important for turning lookers into bookers (conversion rates), improving my hotel ranking on search engines, and enhancing the trust-building aspects of the site.
8. I will develop a comprehensive **Customer Segmentation Marketing Strategy**. I know that each of my key customer segments requires a differentiated approach, information and offering. I understand that knowing who your website visitors are, for example, is an extremely important consideration when conceptualizing and designing the hotel website. After all, addressing your key audiences and providing them with relevant information is one of the key aspects of any hospitality site. I know that different customer segments should easily identify areas on the site that "speak to them". I will adopt best practices in customer segmentation and develop initiatives to address my key customer segments on my website and via strategic marketing initiatives, including email marketing, search marketing, link creation and online sponsorships.

9. I will deploy a robust **Internet Marketing Strategy** and turn it into a top priority. I understand that the Web is a “key point of entry” to establish interactive relationships with my customers and to capture new lucrative markets. I also know that email marketing is a crucial component of my direct distribution channel and can create direct revenue opportunities with past, present, and future customers. I know that 80% of overall website visits begin in a search engine or a directory service (Forrester). I will adopt an aggressive search marketing strategy, including thematic and event-related keyword buys, seasonal promotions and other direct-response driven campaigns, supported by special landing and private web pages. I will take advantage of all five main aspects of search engine marketing: organic search, paid inclusion, keyword search marketing (PPC), local search and vertical search. I also understand that the Internet is all about “multiple entry points” to my hotel product and I will aim to position my hotel website at all “points of contact” with potential Internet travel bookers via link creation, directory listings, online sponsorships and other Internet exposure enhancing initiatives.
10. To achieve all of the above, I will **Acquire New Core Competencies and Adopt Best industry Practices** by partnering with leading hospitality experts in Internet distribution and marketing strategies. I understand the Internet has become the most important revenue channel and will no longer rely on biased advice from vendors, interactive agencies, web hosting and design companies, or outsourcing this vital core competence to vendors that “keep me in the dark.”

From this day forward will be in control. I will seek advice from an experienced Internet marketing hospitality consultancy to help me navigate the Internet and utilize the Direct Online Channel to its fullest potential. I will utilize expert advice on how to disseminate eKnowledge and best practices to my employees and make them stakeholders in the corporate Internet marketing efforts. From experts who can teach me and my staff best practices and provide crucial professional development, as well as guide my hotel company’s direct Internet distribution and marketing strategies, online brand building strategies, e-CRM, website optimization and search engine marketing strategies.