

HOSPITALITY DIGITAL MARKETING ESSENTIALS: A Field Guide for Navigating Today's Digital Landscape



HOSPITALITY DIGITAL MARKETING ESSENTIALS: A Field Guide for Navigating Today's Digital Landscape

Dear Colleagues,

This book is the study guide for the Certified Hospitality Digital Marketer (CHDM) certification (www.hsmi.org/chdm). We hope you will learn more about the CHDM and what it can bring to you and your organization. As you read and use this book, you will understand why every hotel professional needs a copy of it!

In our work to provide hospitality professionals with the most up-to-date and forward-looking information on digital marketing best practices, we are proud to deliver this book. It has been made possible in terms of content and production by many industry professionals and business partners, who have contributed their best thinking, experience, and writing.

See the Acknowledgements for a full accounting of the individuals who contributed countless hours to make this edition possible.

The mission of HSMAI's Digital Marketing Council is to inspire success for HSMAI members and those they serve through the creation, curation, and promotion of relevant knowledge in the digital marketing space. We hope you agree that this book is a strong step toward meeting our mission.

We believe this book delivers industry-leading digital marketing educational content with practical and relevant digital marketing strategies and best practices specific to hotels. We promise to continue to provide resources and information that will help you and your company improve your performance.

Please see the next page for a listing of all advisory board members as of the printing of this edition.



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You don't have to drive yourself crazy to set yourself apart from your marketing peers. Prove your skills and experience by earning the globally-recognized digital marketing certification administered by HSMAI. The CHDM recognizes digital marketing professionals for their expertise in leveraging digital channels to maximize online revenues. CHDMs are the digital marketing experts hotels need today.
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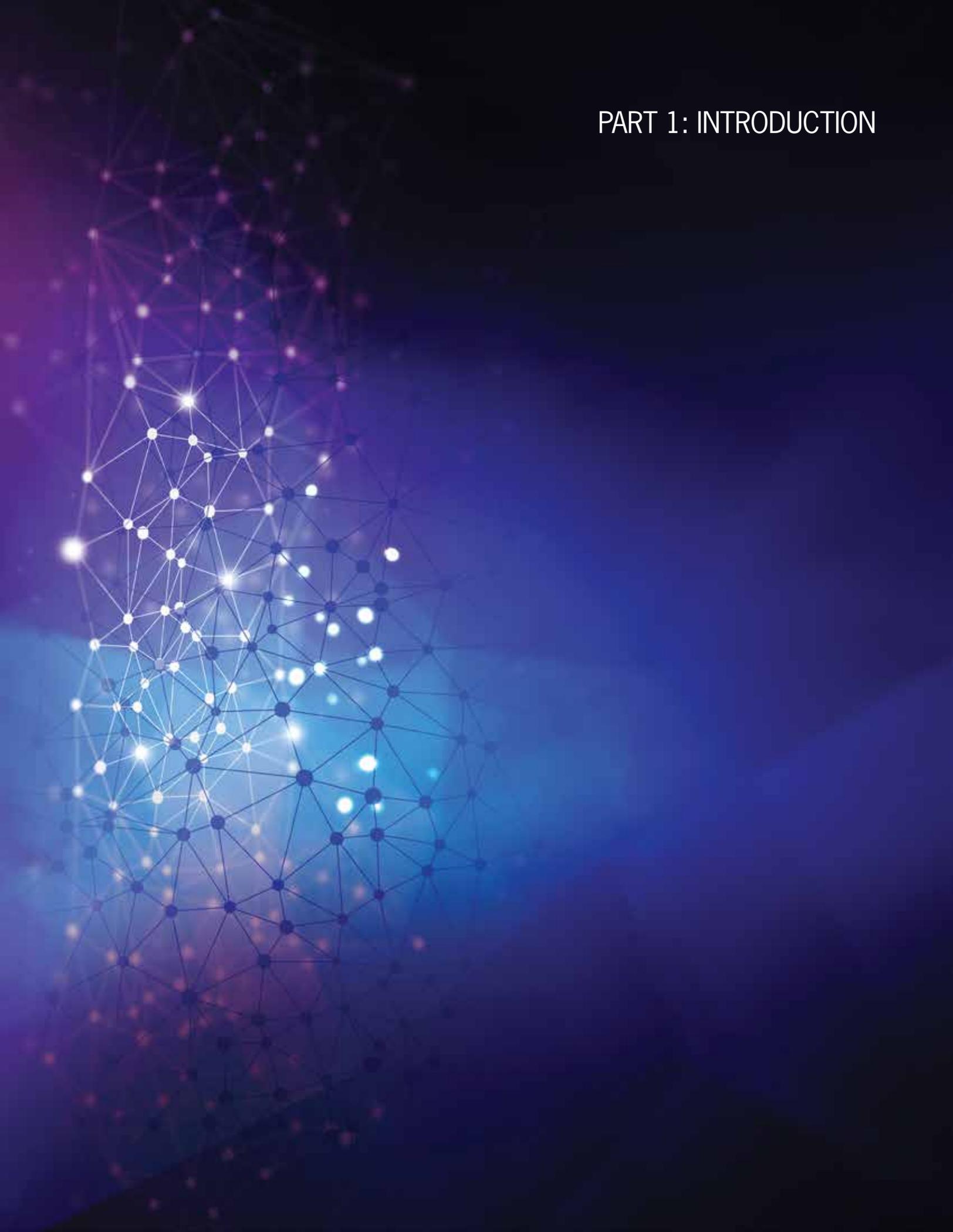
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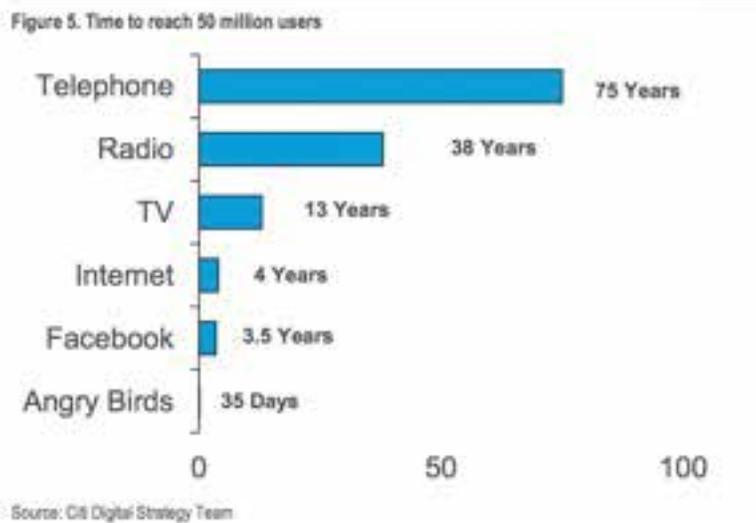
PART 1: INTRODUCTION



CHAPTER 1

Hospitality Digital Marketing Essentials: A Field Guide for Navigating Today's Digital Landscape...the CHDM Study Guide

From print to radio to TV, the mediums and methods of marketing have changed dramatically over the years, but no medium has had such a huge impact so quickly as the internet and the emerging field of digital marketing.



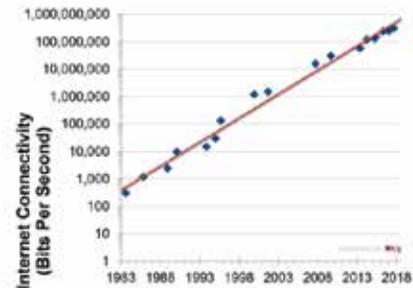
The year 1995 is often pointed to as the start of the “internet revolution.” It was in this year that the Netscape internet browser went public, Amazon.com began selling books, and a company, then known as Backrub (later to be called Google) was founded.

Fueling this growth was the constant increase in bandwidth and the introduction of more powerful and sexier devices, like the iPhone which was introduced in 2007 followed by android phones in 2008.

As indicated by Jakob Nielsen and his “Nielsen’s law of internet bandwidth,” users’ bandwidth has grown by 50% per year from 1983 to 2016.²

The following screen shot illustrates this “law” and will continue to evolve annually at <https://www.nngroup.com/articles/law-of-bandwidth/>.

The dots in the diagram show the various speeds with which I have connected to the net, from an early acoustic 300 lbs modem in 1984 to an iSON line when I first wrote this article (and updated to show the 300 Mbit upgrade I got in 2018). It is amazing how closely the empirical data fits the exponential growth curve for the 50% annualized growth stated by Nielsen’s law. (The y-axis has a logarithmic scale: that is, a straight line in the diagram represents exponential growth by a constant percentage every year).



Nielsen’s law is similar to the more established Moore’s law. Unfortunately, comparing the two laws shows that bandwidth grows slower than computer power. Moore’s law says that computers double in capabilities every 18 months, which corresponds to about 60% annual growth. As shown in the table, bandwidth will remain the gating factor in the experienced quality of using the internet medium.

		Annualized Growth Rate	Compound Growth Over 10 Years
Nielsen’s law	Internet bandwidth	50%	57x
Moore’s law	Computer power	60%	100x

After the initial years of “irrational exuberance” and the popping of “the internet bubble” it became very clear that the internet was a new and powerful marketing tool, that was (and is) constantly changing; from email marketing to banner ads; to search engine marketing to social media marketing; and from simplistic ROI calculations to algorithmic attribution models. In 2016 it was estimated by eMarketer³ that 37% of total media spend in the U.S. that year was being spent on digital marketing. While specific numbers are not available for hotels, we believe that this number is even greater for that vertical.

Important Milestones in Hospitality Marketing & Technologies

1995

- Netscape Goes Public
- Microsoft Internet Explorer 1.0 Launched
- Backrub (later to be called Google) Formed
- Amazon.com begins selling books online

The Rest Is History...

- Expedia launched (1996)
- CTRIP launched (1999)
- TripAdvisor launched (2000)

- Email for Blackberry launched (2001)
- WordPress released (2003)
- LinkedIn launched (2003)
- Myspace founded (2003)
- First commercial mobile SMS (2003)
- Facebook launched (2004)
- YouTube founded (2005)
- Twitter launched (2006)
- iPhone introduced (2007)
- Android smartphone launched (2008)
- Airbnb started (2008)
- UBER founded (2009)
- Instagram launched (2010)
- Facebook Chat launched (2011)
- Google+ launched (2011)
- iPad introduced (2011)
- Device responsive website design became the new website standard (2012)
- Expedia purchased Travelocity and Orbitz (2015)
- Snapchat went public (2017)

As we updated this 4th edition of the CHDM Study Guide, we came to the realization that formatting it in a linear approach does not provide the most efficient resource for the student. Since the field is constantly changing with new technology and entrants, we must create a “field guide” that is easily updatable. There is also so much overlap between different areas of digital marketing that dividing topics into understandable chunks can often become overwhelming. One example of this would be social media. When discussing social media, we need to discuss paid media, review sites, engagement, influencer’s, website integration, on-property activation, and so on. Based on this we have decided to break down the course work in a different way. This guide will focus the reader on where the specific tactic or strategy fits within these three buckets:

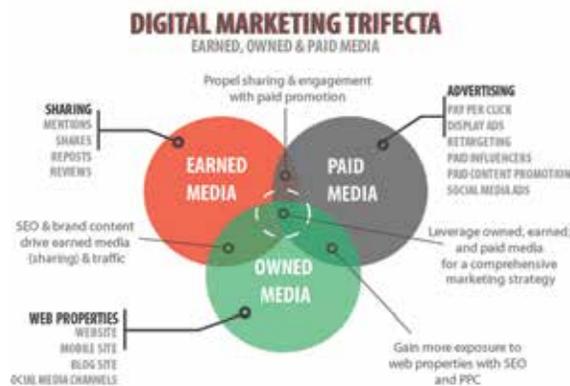
1. **Paid Media:** This includes any media that requires that you pay the “publisher” for that media unit. This includes paid search, display advertising, social media advertising (including “boosting posts”), subscription services (e.g., Trip Advisor Business Listing), and the myriad of other paid advertising vehicles.
2. **Earned Media:** It is called “earned” media because it often requires effort and know-how to get it; you can’t buy it — you must earn it.

In a traditional sense it might be PR or word of mouth advertising but in the digital world this becomes mentions in blogs, posts, websites, review sites, and so on. While it takes effort (and sometimes cost) to garner earned media, it is often among the most powerful because it is deemed by consumers as “unbiased” information.

3. **Owned Media:** This is any media that is directly controlled by you. The most obvious is your website but can also include social sites, database/email marketing, blogs, and so on.

We believe by dividing into these areas the content becomes more understandable and hopefully a little less overwhelming.

The following diagram illustrates how different marketing vehicles fit into this structure.



Source: <https://www.titan-seo.com/newsarticles/trifecta.html>

Why are these labels important? Marketing lingo comes in and out of fashion and some might even question the use of these terms, but this is an easily understandable way to help divide the course, and we also believe it is useful for digital marketers to be thinking in these terms (or terms similar to this). Everything the digital market does should be for a reason; once this goal is determined then these terms give you a good way to consider your options and determine how you will get your message out. For example:

Hotel A has a soft period in the next month and needs to do its best to fill those rooms. The GM comes to the digital marketing team with a budget (or not) and asks, what can we do? The digital marketer then should ask him/herself these questions:

- What should we do in paid media?
- What should we do in earned media?
- What should we do in owned media?

After going through this exercise, the digital marketer may choose tactics in all three or perhaps just one of these areas.

The guide that ensues is meant to touch on the most important elements of digital marketing for hoteliers and represents the base of knowledge required to be considered a Certified Hospitality Digital Marketer (CHDM).

We hope you enjoy the study guide and good luck with the certification process!

Important Note: This guide was published in February 2018 and will be updated again within 2 years. At the time of publishing all the information was accurate, but it is important, as a digital marketer, that we all keep up to date on the changes in the discipline.

Chapter 1 Endnotes

¹ Kamath, Maya. "To reach 50 million users Telephone took 75 years, Internet took 4 years however Angry Birds took only 35 days!!" TechWorm. March 13, 2015. www.techworm.net/2015/03/to-reach-50-million-users-telephone-took-75-years-internet-took-4-years-angry-birds-took-only-35-days.html. January 5, 2018.

² Nielsen, Jakob. "Nielsen's Law of Internet Bandwidth." Nielsen Norman Group. 2018. <https://www.nngroup.com/articles/law-of-bandwidth/>. January 8, 2018.

³ US Digital Ad Spending to Surpass TV this Year. eMarketer. September 13, 2016. www.emarketer.com/Article/US-Digital-Ad-Spending-Surpass-TV-this-Year/1014469. January 5, 2018.

CHAPTER 2

The Current State of Online Distribution

Today's technologically advanced travel marketplace sees travelers interacting with multiple digital devices, while expecting those encounters to address their personal needs and interests. This behavior is understandable, given the rise of always available mobile apps and voice-based personal assistants. As a result, hoteliers are finding that engaging travelers and satisfying their expectations is an increasingly complex endeavor.

Some context is required to fully appreciate the challenges facing today's hospitality marketer. See "Important Milestones in Hospitality Marketing & Technologies" in Chapter 1 for a listing of significant hospitality industry advancements juxtaposed with important general technology advancements.

A Historical Perspective

A century ago, Ellsworth Statler, the father of the modern hotel industry, proclaimed the keys to success using three maxims that remain relevant today:

- "Location, Location, Location" — still the first rule of hotel Real Estate Investment Trusts (REITs)
- "Life is Service" — a mantra of every successful luxury hotel operator
- "The Guest is Always Right" — one that continues to be problematic for digital marketers

If a hotel offered a good product, in a good location, and treated guests well, word-of-mouth referrals could sustain adequate traveler demand.

Fifty years ago, as travelers became more mobile via increased automobile and commercial air travel, hotel brands emerged, creating expectations of consistency across a breadth of destinations. These brands incorporated new technologies including computerization and central call centers to simplify and add consistency to the booking process across growing property portfolios.

Brand messaging was tightly controlled by the hoteliers through advertising and public relations. It largely highlighted product features, and was broadcast to consumers largely based on the demographics of a particular distribution channel.

Two decades ago, hotel distribution continued to be largely focused on traditional consumer media, travel agency, corporate travel management company, and group meeting planner channels. But the internet changed everything. At first, Travelocity, the first Online Travel Agency (OTA) touted a "Shop, Check, Book" process for consumer self-booking that mirrored methods employed by travel agents.

Six major step-changes have required hoteliers to adapt since the birth of the Internet —

1. World Wide Web
2. Interface Standards
3. Social Networking
4. Free Web Analytics
5. Smartphones
6. Machine Learning/Big Data/Voice Interfaces

The first phase of the internet's impact on the hotel industry was the World Wide Web. Early hotel websites began to propagate, presenting rates and inventory availability, along with basic descriptive information and photos shared over the internet. As familiarity with the technology advanced, hoteliers gained powerful new tools.

Email campaigns powered by Customer Relationship Management (CRM) tools offered more customized communications based on enhanced guest profile information. Search engine marketing enabled messaging tailored to the topics being searched. Rich media and video eventually provided more immersive and compelling story telling by hoteliers.

A second, and much more subtle, impact was put into motion in the early 2000's — resulting from travel industry interface standards. Pioneered by the OpenTravel Alliance, XML-based messaging specifications facilitated the ability of organizations to more easily exchange travel-related data.

These standards soon ushered the ability for technology vendors and digital agencies to more easily marry Internet Booking Engines (IBE) with the Content Management Systems (CMS) powering websites. Channel Management Systems (ChMS)

were then created to more efficiently manage the growing number of systems capable of booking a hotel.

This new level of automation allowed the flexibility of either pushing the information from the hotels to the OTA, or the OTA pulling the data from the hotels, replacing reliance on cumbersome manual update processes via extranet. Websites became efficient at booking hotels, offering a greater variety of rates, with more accurate pricing and availability, resulting in more customer adoption and improved booking conversion rates.

A third phase of impact, between 2004 and 2006, saw the widespread adoption of social networks, featuring user-generated content sharing. Changes were led by TripAdvisor's pivot to consumer review forums, the launch of YouTube, and Facebook opening its network beyond students. The internet radically democratized the aggregation, communication, and consumption of information. For hoteliers, this was an unnerving development. Customer conversations might not involve management of the hotel, even though the property was a primary subject of discussion.

Brand positioning transitioned from the controlled messaging that a hotel published to what consumers believed, based on descriptions, photos, and videos shared by fellow travelers. This significant loss of control was countered with new reputation management tools that helped to proactively manage conversations, address customer service issues, and improve guest satisfaction.

The fourth phase of technological advancement arose around the same time frame with the launch of Google Analytics, which allowed webmasters to better understand the sources and behaviors of site visitors. Basic analytics metrics that were once only available to large organizations able to fund support for Omniture SiteCatalyst (now part of Adobe's Marketing Cloud) were available to any website for free.

The ability to leverage tracking pixels and browser cookies to monitor and track user actions provided online advertising with an advantage over traditional offline broadcast media by offering clearer evidence of Return on Investment (ROI). One challenge that arose however was determining the attribution of booking intent from tracking data that extended across plural touchpoints, across multiple websites and sessions.

Determining cause and effect remains a considerable task, even for those sporting the most comprehensive tracking technologies. In many cases, travel apps and websites use extensive A/B or multi-variate testing to compare results of experiments designed to improve usability, engagement, and conversion opportunities.

The introduction of the smartphone, most notably the launch of the Apple iPhone in 2007, produced a fifth phase of internet-induced change for hotels. Beautiful websites designed for a guest's desktop computer did not translate well to the cramped real estate and less reliable bandwidth of a handheld mobile device. Notoriously impatient mobile users required a better user experience tailored to fingers and taps as opposed to the point and click of a mouse.

Native applications (Apps) designed specifically for mobile devices evolved to take advantage of new mobile technologies including Global Positioning Systems (GPS), wireless networking (WiFi/Bluetooth), messaging (SMS), cameras, fingerprint readers, and contactless payments (NFC), in addition to voice telephony. Mobile-web friendly websites now offer many capabilities that were once exclusively the domain of native apps.

Even a decade later, hotels, OTAs, and Metasearch websites continue to struggle with optimizing booking conversion on mobile devices, despite the fact that mobile website traffic in many cases now exceeds desktop traffic.

Today, leading brand and property websites take advantage of all past advancements offered by internet-based technologies. Tracking user behaviors, they learned to present personalized content and alter website experiences based on customer profiles, navigation, and purchase behavior to appeal to specific traveler personas for a particular property, destination, or customer segment. Behavioral retargeting presents context-relevant advertising across advertising exchanges for users who have previously visited a hotel website.

Major travel websites, whose business models are powered by data-driven strategies, adapt digital experiences based on a combination of historic and exhibited behaviors, even before they may recognize the complex underlying motivations driving those user decisions. They employ a Test-and-Learn philosophy that knows no fixed objective — they seek continual improvement through

a cycle of more data yielding better understanding to produce improved results.

Sophisticated digital marketers can dynamically create specialized promotional offers and alter Cost-per-Click (CPC) bidding strategies depending on the expected booking value, probability of conversion, and ultimately customer lifetime value of a traveler.

However, in 2017 the hotel industry entered a sixth phase of internet technology impact, with the emergence of Machine Learning, Big Data, and Voice Interfaces.

Using big data technologies to capture massive quantities of information from a broad range of sources, machine learning algorithms identify patterns and signals to improve user experiences and optimize conversion rates using predictive models that would be too labor intensive and take too long for humans to calculate. This capability now informs everything from pricing and product sort orders to tactical promotions based on weather patterns or news events.

Advanced deep learning technologies, now utilizing neural networks, are being applied to the challenge of voice (natural language processing) and image (computer vision) recognition, tackling not only identification of content, but context. Artificial Intelligence (AI) is the natural extension of machine learning, the point where systems are trained to make decisions and ultimately enhance their own applications without human assistance.

Where web searches originally produced a list of links deemed best suited to offer relevant information, voice interfaces for mobile devices and home smart speakers are designed to leverage big data and artificial intelligence to offer what the user ultimately seeks — the BEST answer to their query. Hotel marketers will need to again adapt to a dramatic change in societal behavior and expectations prior to, during, and following a guest's stay.

Digital Marketing = Business Model + Strategy + Measurement

A hotel must consider appropriate marketing strategies based on market conditions, competitive positioning, and product differentiation. However, the resources available to fund strategic initiatives depend on the business drivers of the enterprise.

Hotels are not built to earn revenue; the ultimate objective is to produce a profitable return on investment. Hospitality digital marketing executives must understand the underlying business model of the hotel or brand to create value by attracting and sustaining profitable business.

As with all businesses, organizational strategy has three foundational pillars — Business Model, Performance Measurement, and Risk Tolerance. From a pragmatic perspective, strategies supporting well-defined, measurable goals more readily earn funding approval by helping decision makers understand risks.

Business models represent how a corporate strategy creates value. One of the major trends in the hotel industry has been the shift from capital intensive to service-based business models. Major hotel groups that once owned and managed large property portfolios have gone “asset light,” divesting the real estate assets on their balance sheets in favor of fee-based revenue streams.

The fragmentation of the hotel industry into hotel owners, third-party management companies, and hotel brands has created multiple parties that may have differing revenue streams, cost structures, and risk exposure emanating from a single property. It is critical for hotel marketers to understand how business strategies impact the profitability of these various constituencies.

The increased share of branded properties results from the same trend toward a services orientation. While an independent hotel may be able to establish awareness within a particular area or market segment, its core demand may not be sufficient to drive adequate profitability. Hotel brands can extend a hotel's marketing reach substantially across a broader geographic region or additional market sectors, especially when able to successfully cross-sell to frequent guests of sister properties.

Property-level marketing and branding expenditures can represent risky propositions for hotel owners, particularly during times of economic uncertainty. Paying a franchise and/or marketing fee can reduce the financial exposure and cash flow impact of developing and executing marketing programs by basing expenditures on achieved sales and shifting some responsibility for driving revenue to a partner hotel group. This is why many hotel financing term sheets often require some form of brand relationship.

The growing market share of OTAs results from similar structural factors. OTAs expend billions of dollars to global marketing initiatives and technology platforms designed to convert travel demand into any hotel sale, not specifically for a particular brand or property. As hotel brands extend the marketing reach of a property, an OTA can extend the distribution of both a property and brand — again, with limited risk exposure. Compensated only on arrived business, OTAs have successfully developed a business model that is best described as “Guests as a Service.” While some hoteliers may complain about OTA fee levels (or brand fee levels, for that matter), in many cases, those complaints discount the pricing premium typically associated with any business model that creates value by eliminating risk.

All intermediary compensation levels are dictated by market conditions — if insufficient value is created, there is downward pressure on fee levels. Following nine years of economic recovery after the global financial crisis, the hotel industry is generally performing very well. That strength is reportedly translating into pressure on OTA margins.

However, during economic downturns when hoteliers become highly motivated to seek incremental market share as core demand sources wane, intermediaries gain an opportunity to grow margins as risks increase for hotel owners, especially if limited alternatives exist.

Pulling It All Together

Hospitality marketing has evolved into a discipline that encompasses every facet of the lodging business ranging from product design, service delivery standards, and competitive positioning, to more traditional marketing disciplines of pricing, promotion, and distribution. In order to efficiently execute successful marketing campaigns, hospitality marketers now need to get a lot of things right. For example:

- Offering the Right PRODUCT (beachfront hotel)
- In the Right PLACE (Jamaica)
- Including the Right EXPERIENCE (all-inclusive package)

- To the Right GUEST (family with young children)
- Providing the Right VALUE (ocean view upgrade)
- Via the Right MEDIA (retargeting ad)
- On the Right PLATFORM (mobile)
- Using the Right CONTENT (family beach GIF)
- For the Right PRICE (\$299 per night)
- Rewarding the Right BEHAVIOR (clicking on an offer)
- At the Right TIME (weekend evening)
- Through the Right CHANNEL (direct to hotel website)

Every strategy should be mapped to a desired outcome, which may range from a principal business objective to a specific tactical result. Regardless of magnitude, goals must be measurable. When success can be measured, success can be rewarded. Even if a strategy is not successful, measurable results offer an opportunity for future refinement and improvement. It should also be noted that if success can't be measured, it becomes simpler for critics to describe it as failure.

The following chart presents examples of common metrics used to measure the success of several business objectives that are matched with a phase of the traveler lifecycle.

Examples of Goals and Metrics by Traveler Lifecycle Phase

Phase	Objective	Example Metric
Dreaming	Acquisition	Click-Through & Bounce Rate
Planning	Engagement	Week 1 Retention Rate
Booking	Conversion	Arrived Conversion Rate
Experience	Satisfaction	Net Promoter Score
Sharing	Evangelism	Shares, Amplification & Applause Rate

Technology is a Tool to Support Strategy

In a digital world, success requires the appropriate alignment of strategy and technology. This does not mandate that a hotel have access to the latest and greatest tools (although that helps). Technology is merely a tool to fulfill the strategy — businesses with good technology rarely survive bad strategies.

Effective digital marketing strategies must consider the hotel's technological capabilities to effi-

ciently target the desired customer, deliver appropriate messaging, and measure performance with sufficient detail to allow the marketer to learn and refine future efforts. If technology gaps exist, unnecessary complexity should be avoided. Good strategies supported by good technology create opportunities.

Over the years, the internet has enabled the tech industry to embrace highly scalable Software as a Service (SaaS) business models that reduce capital expenditures and risk profiles associated with technology investments. Cloud computing — using internet-based services to replace local servers (including the hardware and labor required to maintain it) — serves as the foundation for SaaS platforms.

The primary technological challenge facing hoteliers is keeping up with the accelerating pace of technology innovation in a complex industry with a highly fragmented control structure and geographically dispersed product portfolio. Core hotel operational technologies such as Property Management System (PMS), Point of Sale (POS), Private Branch Exchange (PBX), Heating, Ventilation & Air Conditioning (HVAC) control systems were traditionally proprietary, requiring expensive custom interfacing to communicate.

Scrubbing fully depreciated technology assets off balance sheets when transitioning from legacy systems to modern Cloud/SaaS platforms is conceptually compelling, especially when avoiding large upfront capital expenditures in the process.

However, the reality of replacing the full operational tech stack within 24/7 hotel operations can be a daunting task. Replacing one system can create a functional gap with another interfaced “mission critical” legacy system. Writing a temporary “throwaway” interface between the new platform and the old system that may also soon be replaced is rarely cost effective.

Superlative coordination is required across brands, owners, and management (who may control various systems), especially when decisions are made regarding who expends the funds, as compared with who reaps the benefits. The complexity of multiple partners, possessing different business models with diverse revenue streams, expense exposure, and risk tolerance can complicate technology decisions.

Similar dynamics impact the hotel marketing technology stack. Many marketing and operational systems must be integrated to provide a cohesive guest experience. Complicating matters further, hoteliers want to avoid costs related to retraining staff and establishing new processes to replicate tasks that are already reliably executed.

The following table offers a summary of the major components of the growing hospitality marketing technology stack (excluding operational systems like PMS, POS, etc.)

The Growing Hospitality Marketing Tech Stack

Marketing Tech Stack	<p>Business Intelligence Campaign/Website/Sales Analytics Frequency Program Guest Profile Management Management Dashboards Rate Shopping Surveys and Guest Reviews Yield & Revenue Management</p>
	<p>Digital Booking Engine Content Management System Customer Relationship Management Database Marketing Digital Marketing Platform Search Marketing Social Media Marketing Website Development/Management</p>
	<p>Distribution Call Center Services Central Reservation System Channel Management Global Distribution Systems Internet Booking Engine Internet Distribution System</p>
	<p>Sales Office Meeting and Event Planning Catering and Event Management Sales/Catering/Event Management Casino Player Tracking</p>

Source: Channel Optimization in Hospitality, Secrets of Data-Driven Hoteliers — Phocuswright, 2017

Every marketing strategy now has a digital dimension. Digital permeates every aspect of guest engagement, from pre-arrival shopping online to the in-real-life on-property experience, and the sharing of those experiences with others. A critical consideration is how well its marketing technology stack can effectively manage initiatives advancing the hotel’s business strategy.

The successful digital marketer must consider not only the direct marketing results, but how they translate into enterprise profitability through the most efficient deployment of available technology.

CHAPTER 3

The Digital Marketing Funnel

Historically, a marketing funnel looked like this:



Typically, awareness was created by placing print ads or running direct mail campaigns. Once some interest was established, the ball was placed in the hands of salespeople or operations. Marketing's role was really just to lead the prospects to the point of contacting the individual hotel or brand.

In today's digital world, the funnel has changed significantly. Today, digital marketing likely has a role in every single step of this funnel.

What is “digital marketing” or “eCommerce?” What do you think of when you hear those terms? Many of you will think first of your hotel or brand website. Others will consider online travel agencies such as Expedia or Booking.com, and metasearch sites such as Kayak or Trivago. Or is it customer review sites such as TripAdvisor and Yelp? Social media? Facebook? Or is it search engine optimization, online marketing, paid media channels? Perhaps email marketing? What about mobile apps and digital guest services?

The truth is, “digital” encompasses all of these areas — and much more — and is the fastest evolving and ever-changing area of the hotel business. Digital now covers all phases of the customer “journey” in regard to booking a hotel (as well as staying at a hotel), and for many brands and hotels, it is quickly becoming the largest single source of customer traffic and bookings.

Let's quickly cover the 4 main “phases” of the digital customer journey:

The Acquisitions Phase

How do we “acquire” customers on our end digital channel — our hotel website? How do potential customers find us and where do we need to engage those customers to capture their attention and bring them to our sites? Examples of these areas that will be discussed in this program include natural (or organic search), paid search, local search, third-party sites such as TripAdvisor and metasearch engines, social media, and many others.

The Conversion Phase

Once we capture those customers and bring them to our hotel website, we still need to “convince” them to book with us and “Convert” them into “bookers.” While, as digital marketers, we may not be able to control all guest considerations such as price and location of the hotel, we have direct control over the display of content on our website that would convince a potential guest that our hotel is, in fact, the correct choice for them. Content may include textual information about the hotel, surrounding area, maps and directions, and airport and transportation information to name a few, as well as professional imagery that relays visual information about the hotel, its facilities, rooms, area attractions, and more.

Other content areas may include customer reviews, social media links, benefits of booking on your channel, and more. In the end, your hotel website should serve as your “virtual lobby.” More travelers will see your website than will ever walk through your physical doors. Also keep in mind that many customers who choose to book your hotel on other channels will visit your hotel website to view much of the above information, either before or after their booking.

The “Stay” Phase

This is the “newest” area of digital business... how can we leverage “digital” post-booking? We have seen initial efforts into this space through engagements such as confirmation and pre-arrival emails and ancillary sales efforts. However, there

are many more ways we can engage with and service our on-property guests once they arrive at our hotels. More recent and future engagement areas in this phase include mobile check-in and check-out, keyless room entry, guest service requests and chat through our apps, in-room entertainment options, guest messaging, and more. This is an exciting area for hoteliers as we better leverage digital and mobile technology to provide more enhanced customer service to our guests and provide them with the more streamlined digital options that they have been asking for from all of us.

The Post-Stay Phase

This is the period where you attempt to build a long-term relationship with the guest. Even if they booked through a third party, if you are able to get the guests email address you can directly talk to them and engage them, and the next time they look to book, they will likely book direct. While we cannot get every guest to book direct, the holy grail is being able to ensure that the second time they book, they book direct.

This customer journey is also referred to as the purchase funnel, and while different people and organizations have different takes on it, at the end of the day it is all very similar with the ultimate goal of driving conversion.

The Customer Journey and Funnel

The average consumer visits 12 to 36 websites before booking a hotel. So, where are they going... and, more importantly, what is impacting their end decision? Let's walk through a simple example a customer journey — taking a family of two adults and two kids looking for somewhere to go for their summer vacation:¹

Let's return to the first part of the customer journey — the Acquisitions Phase — to illustrate the many influencers to which today's digital customers are exposed. Where are our guests going and what are they seeing as they navigate the digital landscape during their search? Why is this important?

This family has decided they need a much need vacation. At this point, they have no idea where to go and begin their research on line.

Their first "Google" search may be for something very generic as they first need to decide on where they are traveling...say "Family Vacations" or "Best places to travel with kids." The results may be a host of articles, travel blogs, top 10 lists, infor-

mational sites, as well as travel sites such as Expedia, TripAdvisor, and brand sites, among others. In this discovery phase alone, they may well visit dozens of websites.

Once they decide on a location...for this example, let's pretend Orlando as it's time to get those kids to Disney and Universal... the next step may be to research airfare (is this trip affordable?). They may find themselves visiting multiple airline sites as well as Online Travel Agencies such as Expedia and Booking.com to check airline prices and flight schedules. From these sites, they may also start looking at hotels or be exposed to offers, deals, and other marketing from relevant travel companies.

Once the decision is made that this is indeed a great trip destination, they may return to Google with a slightly more detailed search — "hotels in Orlando." They begin to check hotels in the market, prices, locations, imagery, and review scores. They may again visit the Octa's, but also brand.com sites such as Marriott, Hilton, IHG, and independents. They may visit metasearch sites such as Kayak and Trivago to better compare prices and availability.

Through all of this, many customers will now also engage social media. From simply asking friends for travel information and advice, social media has now become a larger influencer on the decision-making process. So, our family goes to Facebook to ask for recommendations on where to stay, what to do, etc. (possibly being exposed to retargeting and travel ads in the meantime).

Keep in mind that this family may visit many of these sites multiple times, and during their journey, will also be exposed to marketing and advertising, offers, rate displays, targeted and retargeted ads, and other influencers.

Their final visit, if not one of the above sites to make their booking, may be to return to Google and search on the exact hotel name, again with results from many of these sites for booking options. What they see first on Google will highly depend on paid advertising (SEM or paid search), or organic rankings in search results, highly depended on SEO activities.

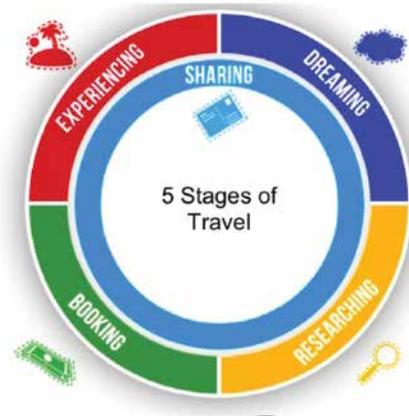
For the moment, let's assume the family made this final search on Google for the hotel they decided on...and then clicked on the link to the hotel's own website. From a reporting perspective, this

would be tracked as a branded search from Google and attributed to that in reports. However, the truth is that the customer visited dozens of sites and was exposed to a large number of influencers along the way.

As you move into the following sections of the CHDM study guide, ask yourself “where in the journey/funnel is the customer?” This may help you understand how best to market to this customer. Remember, while it is easy to think of the

funnel as linear, it is not — people can bounce around. Consider the customer who has booked your hotel and continues to search to confirm their decision and check pricing. This customer went from booking back to inspiration and re-search, and this has to be taken into consideration.

The following represent different ways to think about and visualize the customer journey and the funnel.



Source: Google



Source: Think with Google²

Hospitality Customer Journey



Source: Milestone Internet Marketing

Customer Journey Evolution

Old Model

New Model



Source: Milestone Internet Marketing

In truth the process is not linear — especially today when people, even after booking, continue to search, explore, talk about, and potentially even change their decision.

Chapter 3 Endnotes

¹ Used by permission of Shawn Paley. <https://spark.adobe.com/page/Qw6fcN8kdKola/>

² Travel Trends: 4 Mobile Moments Changing the Consumer Journey. Think with Google. November 2015. www.thinkwithgoogle.com/consumer-insights/travel-trends-4-mobile-moments-changing-consumer-journey/. January 5, 2018.