Smart Data marketing in hospitality: The secret to maximizing direct bookings

by Max Starkov & Margaret Mastrogiacomo

Your “best guest” shouldn’t be defined only based on past guest demographics, say Max Starkov and Margaret Mastrogiacomo of HeBS Digital. Instead, you must consider travel consumers who are in-market and willing to consider and book your property today. This so-called Intent Data is vital. For Hotel Yearbook readers, Max and Margaret outline the steps to a marketing strategy driven by this type of data.

Many hoteliers assume that utilizing Big Data equals past guest data i.e. CRM Data. In our view, CRM Data is only the smaller part of the hotel’s customer engagement and acquisition strategy.

The more important part of the overall strategy – the one that will result in a much higher percentage of direct bookings – is Intent Data. By targeting and engaging travel consumers who are “in market” and planning to visit your property’s destination in the near future, Intent Data helps engage and acquire first-time guests, which generate the bulk of property room-nights.

Smart Data marketing: Closing the 360-degree customer engagement, retention and acquisition cycle

CRM Data and Intent Data are integral pieces of any hotelier’s marketing strategy. If your strategy isn’t utilizing real-time “in-market” targeting that reaches potential guests – travelers who have expressed intent to travel now or in the near future to your destination – you are missing the opportunity to expand and “replenish” your existing customer base on an ongoing basis.
At HeBS Digital, we call the balanced utilization of both CRM Data and Intent Data “Smart Data Marketing,” which we use to help our clients “make the most” of past, present and future customer data.

**Smart Data Marketing: Where to start?**

Hotel marketers should start developing their Smart Data Marketing strategy by asking themselves the following question: What percentage of my guests are repeat guests and what percentage are first-time guests? Assessing this ratio will guide you on how to focus your marketing dollars.

**Where in the marketing mix does Intent Data provide the most value?**

Your “best guest” shouldn’t just be defined by past guest demographics, but by travel consumers who are in-market and willing to consider and book your property today. Intent Data enables marketing campaigns to target and convert travelers who are in-market and have exhibited purchase intent.

More importantly, building propensity models based on CRM Data alone only reaches a small percentage of potential guests. HeBS Digital portfolio data shows that when you widen targeting to focus more on purchase intent than simply lookalike audiences based on past guest profile demographics, it increases return by as much as four times.

**Where in the marketing mix does CRM Data provide the most value?**

CRM Data is a great starting point for understanding your current customers and aiding in research to understand their online behaviors. It also provides great value when it comes to understanding who your most loyal customers are, how they behave online and what they love about your hotel brand.

HeBS Digital utilizes CRM Data, first-party Intent Data, and website insights to build multichannel campaigns:

Here are our tried-and-true action steps to set your Smart Data marketing strategy on the path to success:

1. Utilize “owned data” in the planning and ideation phase of your marketing campaigns. Focus your propensity modeling based on who is actually converting once campaigns are live to drive optimal returns.

2. Utilize CRM Data to build customer personas. This allows you to understand your target segment more intimately and gain better insight on their motivations, online behaviors, passion-points, and what ultimately connects them to your brand on both a functional and emotional level.

**Process overview:**

- Utilize existing customer data from CRM, Adobe Omniture website data, etc
- Target “look-a-like” audiences in real-time
- Optimize targeting and creative in real-time based on campaign conversions and who is actually booking
- Use campaign insights and data to optimize all future campaigns
3. Utilize DMPs (Data Management Platforms) to identify customer personas and target lookalike audiences based on CRM Data. Make sure to also analyze data of who has converted in past campaigns and on what channels to build accurate personas and reach the right audience and demographics.

4. Utilize Intent Data-focused targeting strategies. Utilize in-market targeting throughout your marketing initiatives and lower funnel long-tailed keywords such as “Downtown Miami Hotel with Pool” across SEM, Google Display Network, and YouTube TrueView campaigns.

5. Partner with top travel ad networks. Utilize specialized travel ad networks and DSPs (Demand Side Platforms) to capitalize on first-party travel data to reach users in real-time throughout the travel planning journey.

6. Capitalize on DRM (Dynamic Rate Marketing) in your marketing strategy. Dynamic Rate Marketing allows you to access users researching travel to your hotel’s destination and display the best available rate for the exact dates of stay.

7. Integrate intent-rich programmatic advertising. Focus on programmatic partners that are intent-focused and have data quantifiers such as “moment scoring” that assigns a score to a user interaction to determine the likelihood that they will convert in that micro-moment.

8. Utilize data and insights for campaign optimization. Learn from campaign results and real-time insights to constantly optimize campaign messaging, targeting, marketing mix, and so on.

Overall, as you explore the role of CRM Data and Intent Data in your marketing strategy, the most important thing to remember is you don’t win new customers with data, you win new customers with the right data strategy. Capitalizing on customer micro-moments throughout the booking funnel with cost-effective marketing requires the right partners, planning, and strategy.

About HeBS Digital
Founded in 2001, HeBS Digital helps hoteliers drastically increase direct bookings and lower overall distribution costs by deploying industry best-of-breed digital technology, consulting and marketing. The firm has pioneered many of the “best practices” in hotel digital marketing and website revenue optimization, as well as a range of industry-first digital technology applications, winning more than 400 prestigious industry awards for its digital marketing and website design services, including numerous Adrian Awards, Davey Awards, W3 Awards, WebAwards, Magellan Awards, Summit International Awards, Interactive Media Awards, and IAC Awards. A diverse client portfolio of top-tier major hotel brands, luxury and boutique hotel brands, resorts and casinos, hotel management companies, franchisees and independents, and CVBs are benefiting from HeBS Digital’s direct online channel strategy and digital marketing expertise.

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