

THE MAGAZINE OF THE WORLDWIDE HOTEL INDUSTRY

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HOTELS

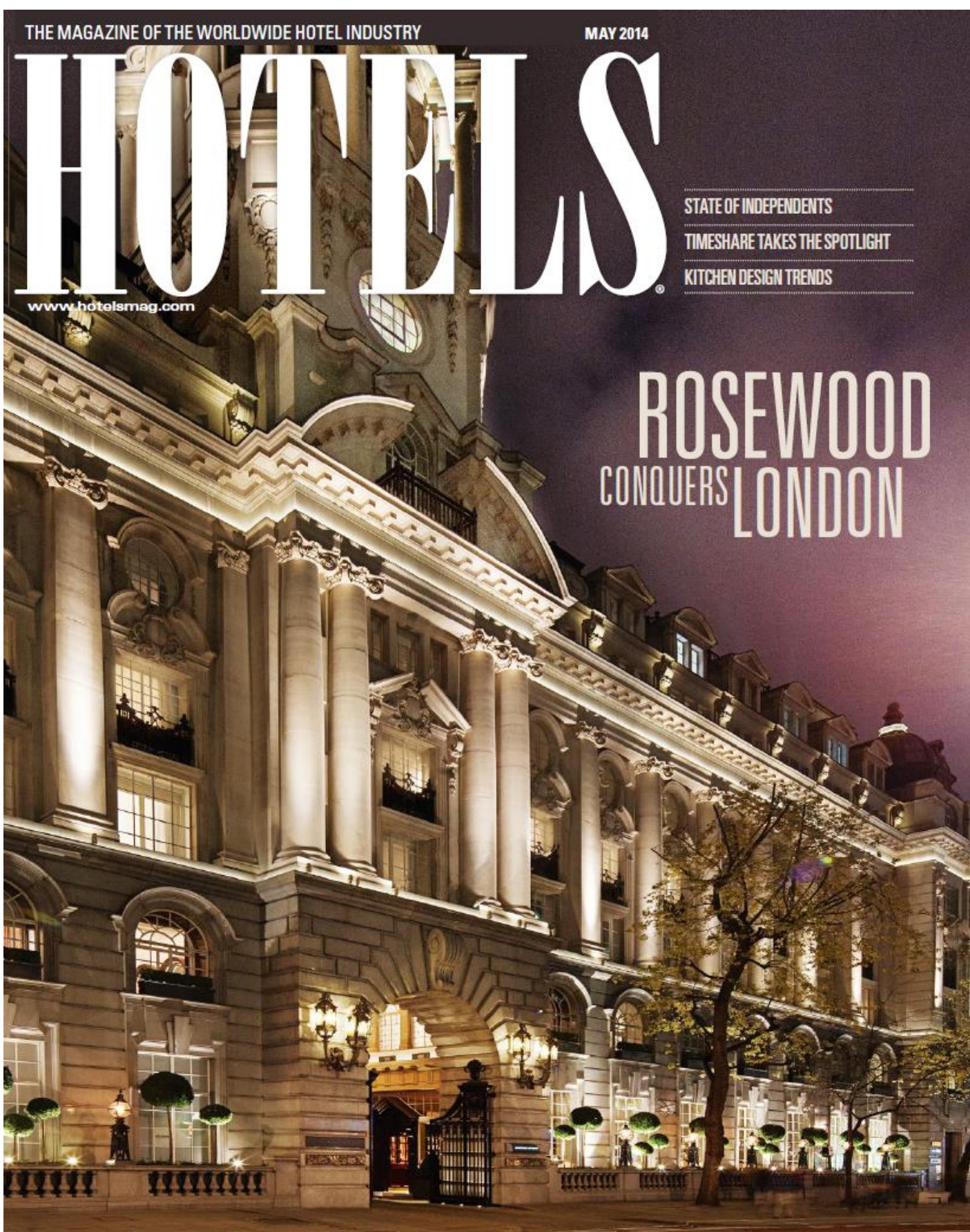
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PERFECTING DIRECT

HOTEL COMPANIES
ARE FINDING
DIVERGENT
RESULTS ON
DIRECT BOOKING
INITIATIVES.

by **NATHAN GREENHALGH,**
ASSOCIATE EDITOR

Despite the convenience metasearch now provides, consumers' typical online travel booking routine remains a lengthy process of checking multiple websites for the best deals. With online travel agencies leveraging their large marketing budgets to secure customers, hotel companies are competing with varying methods to increase direct bookings to avoid the large commissions OTAs demand.

"Research shows that on average guests review more than 20 sites prior to booking," says Tim Peter, managing director of hotel e-commerce consultancy Tim Peter & Associates, Long Valley, New Jersey. "The proliferation of browsing and booking channels has

taught guests that, if they just keep looking, they'll find a better deal somewhere.

"For a successful channel-management mix, hotels should test, measure, learn and repeat," Peter continues. "Think strategically about the channels you want to use to source guests to drive direct and repeat bookings."

To highlight the different approaches to boost direct bookings, **HOTELS** spoke with six different hotel companies to examine which methods provide the best return on investment, including search engine optimization for improved organic search; paid search campaigns; online marketing; and refining the booking attribution methods to best track and credit sources of traffic for conversions.

HOW WE'RE BOOSTING DIRECT BOOKINGS



"WE HAVE PUT MOST OF OUR EFFORTS IN SEO, AS IT YIELDS A MUCH BETTER RETURN."

— MICHELLE WOODLEY,
PREFERRED HOTEL GROUP

MICHELLE WOODLEY

SENIOR VICE PRESIDENT, DISTRIBUTION AND REVENUE MANAGEMENT

PREFERRED HOTEL GROUP, CHICAGO

WHAT METHODS ARE BEING USED TO INCREASE DIRECT BOOKINGS ONLINE?

With an investment required in research and a redirection of resources, we have put most of our efforts in SEO, as it yields a much better return. For January through February 2014, our efforts have yielded a 50% increase in organic traffic over the same time last year. Other tactics we use to drive business to our brand websites include data-based display advertising and retargeting. We are looking at behavioral targeting, which is profiling guests that have reserved a room through our site and, through a network, identify guests with similar behavior and serve up appropriate ads to them. Of course, our call-to-action in print and email marketing is to visit our brand websites for more details and to make a booking. We strive for a minimum return on ad spend of 6:1.

We have found that our most valuable guests research and book through our guest loyalty program, iPrefer.

WHEN DOES THE COST OF ACQUIRING A DIRECT BOOKING EXCEED THAT OF AN OTA BOOKING?

This all depends on how you look at attribution. For example, one could argue that the cost of acquiring a guest for a loyalty program plus administering the program, et cetera, is more than an OTA booking. But we look longer term. It's not just about the first booking; rather, it is about the potential lifetime value of the guest and a low attribution cost once they are in the program.