

**AHLA BEST
PRACTICE
GUIDE FOR
MARKETING
INDEPENDENT
HOTELS**





AHLA Best Practice Guide for Marketing Independent Hotels

INTRODUCTION

Marketing is key to attracting new customers, maintaining loyal customers, and establishing your brand. This guide provides strategic perspective and new tools to help improve your marketing.

The content was created by surveying and interviewing over 150 independent hotel managers and marketers from intimate B&Bs to multi-property resort companies. We also interviewed digital marketing vendors from web designers to email marketers and even some artificial intelligence experts. We were able to distill several common themes that allowed us to create some valuable best practice guidance.

Here are those common themes:

- 1. Cover the basics** – Ensuring your customer service delivery is legendary, you understand your web analytics clearly, you identify who your customers are, and you have a clear definition of your channel segmentation.
- 2. Collaboration and Partnerships** – In person collaboration and partnerships help you market your hotel as part of a destination. This is needed because the digital age means your competitors have broadened to include hotels in similar markets in different regions, states, or even countries.
- 3. Personalization** – Personalization means truly understanding who your existing customers are, who your potential prospects might be and what matters to them – and when and how they want your information delivered.
- 4. Your story** – What is unique about your property and crafting a story to tell. The better, more authentic your story, the more people want to share it and the more people want to experience it.
- 5. Keeping Up** – The most successful marketers were aware of current trends and technology.

You will see these five themes repeat themselves in this guide as we cover Acquisition – Finding and creating awareness and interest from the right prospects, and Conversion – Turning them from lookers to bookers.

THE 4 P'S AND WHY THEY MATTER

To be good at marketing, independent hotels must know the four P's that make up the basic hotel marketing: Product, Price, Placement, and Promotion.

Product – the first P is your hotel. What it looks like, smells like, sounds like, where it is located, and how it makes your guests feel. All of those components make up your product, and before you create your first website, or create your first marketing campaign, you want to do a self-evaluation of your product and use what you have to create your best story.

You want to clearly identify who your current product is making happy and why and capitalize on that. The right product can save you a lot of promotional dollars because word of mouth will be viral, and conversely, no amount of promotional budget can overcome a bad product in the long run.

Another critical element of your product is service delivery – what kind of experiences are your employees delivering to your guests? Many guests are going online to read reviews of your hotel before booking, and you need to know how well your story is being told.

Price: Within the world of hotel marketing price means the value you have assigned your product which you are basing on several factors – actual product, demand, location, amenities and service experience. However, pricing goes even further in hotel marketing because it has also come to mean pricing parity – how many different rates are available to consumers and where? And of course, how you are priced relative to your competitors.

Placement: In the consumer goods world, placement means your product's location on a shelf. For hotels, placement means, where and how your product is appearing to potential customers. We have both direct and indirect placements or distribution channels. Examples of direct placement would be our digital presence on our website or our display ads. Indirect examples would include where we are represented on third party sites like the OTAs or metasearch. Trying to get a clear picture of your placement can be challenging but you should start by looking at your channel distribution.

Typical hotel channels and their contribution include: Hotel direct, website direct (your booking engine), phone/central reservations, groups, GDS (Global Distribution System) and OTAs (Online Travel Agents). OTAs offer these models:

- Retail model (the traveler pays the hotel, the hotel pays the OTA a commission)
- Merchant model (the traveler typically pays the OTA who pays a portion to the hotel after fees).
- Opaque model (a subset of the merchant model typically but the traveler isn't aware of the actual hotel until the booking is completed).

Each channel has a different cost associated with it. A hotel which is getting 70% of their business through an OTA, for example, is likely paying a much higher price for that business than a hotel which is receiving those bookings through web direct or voice. You want to target the right balance to ensure the best profitability for your property.

Promotion – the product, price, and placement need to be firmly understood before the first promotion is completed. The intent behind clearly defining the first 3 P's is also to enable you to create your hotel's story. The promotion element allows you to tell your story.

TO OUTSOURCE PROMOTION OR TO KEEP IN HOUSE?

Most of the hotels surveyed manage website content internally, but outsource search engine optimization (SEO).

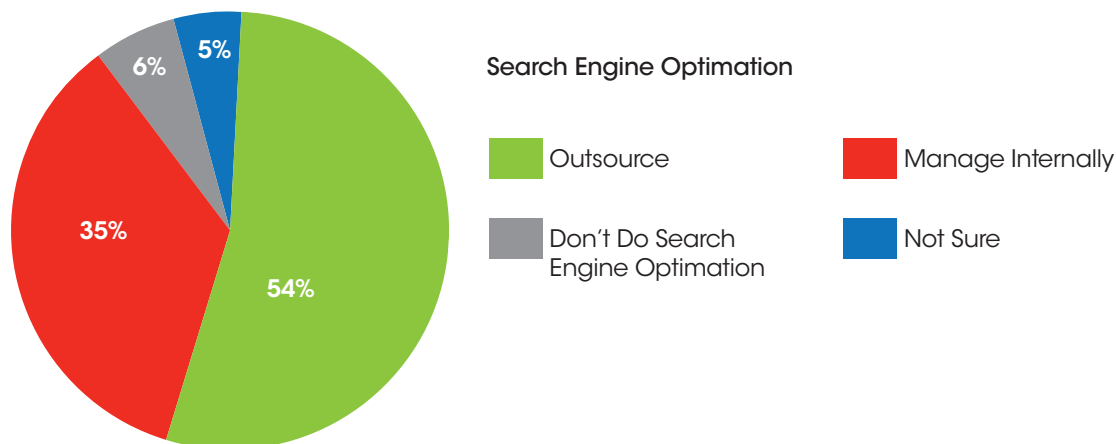
	Outside Agency	Manage Internally	Don't Participate	Not Sure
Hotel Website - Content	22.8%	75.2%	0.0%	2.1%
Hotel Website - Images	26.9%	71.0%	0.0%	2.1%
Hotel Search Engine Optimization (SEO)	62.1%	30.3%	3.4%	4.1%
Social Media	14.5%	80.7%	2.8%	2.1%
Google Adwords	45.5%	24.8%	22.8%	6.9%
OTA Advertising	20.0%	45.5%	26.2%	8.3%
MetaSearch Advertising	38.6%	17.2%	28.3%	15.9%
Other Digital Advertising	30.3%	41.4%	20.0%	8.3%
Print Advertising	18.6%	69.0%	9.7%	2.8%
Public Relations	24.1%	68.3%	4.8%	2.8%
Hotel Blog	11.7%	46.9%	39.3%	2.1%
Email Campaigns	19.3%	64.8%	13.1%	2.8%
Reputation Management	9.7%	80.7%	6.2%	3.4%
Customer Advocacy Marketing	7.6%	53.1%	24.8%	14.5%
Data Analysis	23.4%	62.8%	9.0%	4.8%
Customer Data Management	15.2%	71.0%	10.3%	3.4%
Loyalty Program	15.2%	33.8%	47.6%	3.4%

ACQUISITION STRATEGY AND TOOLS

Successful hotels have a set acquisition strategy and utilize several tools to carry it out. Some of the themes that stood out with the independent hotels we surveyed included collaboration and partnerships, a strong online presence, and strategies to convert lookers to bookers.

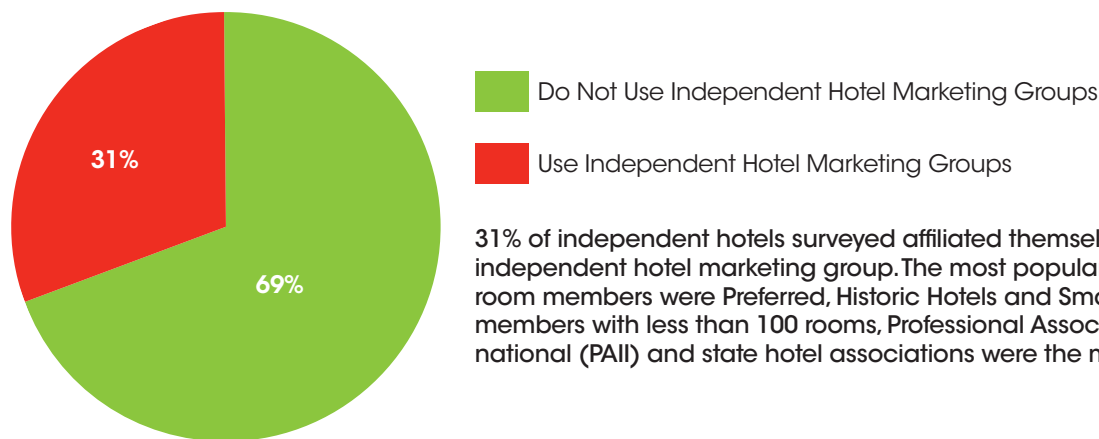
Online

Optimizing your website for organic search results should be your first stop online. The content on your website needs to have terms in it that might be terms people would use when they search. Standard search engine optimization (SEO) practices are fairly commonplace, and over 50% of the independent hotels surveyed outsource their SEO to vendors. One of the best places to find recommendations for keeping up with great basic SEO practices is <https://static.googleusercontent.com/media/www.google.com/en//webmasters/docs/search-engine-optimization-starter-guide.pdf>



Story - Story can play a large part in your quest for organic results. The more clearly outlined, communicated and supported your story is the better your SEO. If your story involves being surrounded by natural beauty, hiking, and activities, the images, headers, descriptions, and packages on your website should make that clear.

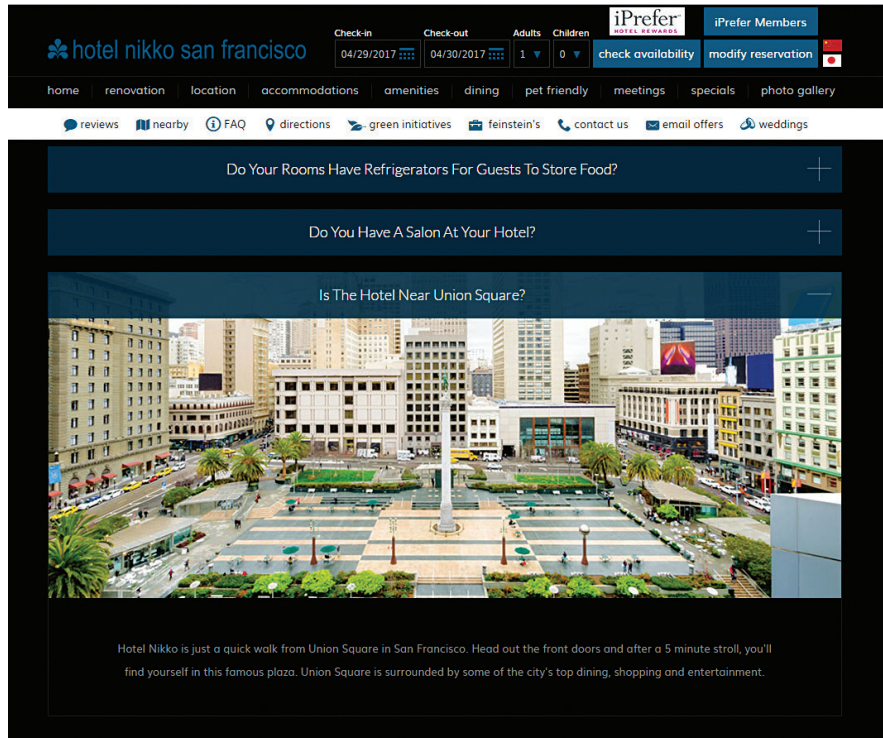
Collaboration and partnership - many hotels are nearby an attraction or destination the traveler wants to visit. Forming real world partnership with local activities, Convention and Visitors Bureaus (CVB), business, and social associations can increase bookings. By partnering with these groups you can offer your prospects more than a hotel room, you can offer them an experience.



31% of independent hotels surveyed affiliated themselves professionally with an independent hotel marketing group. The most popular groups among our 100+ room members were Preferred, Historic Hotels and Small Luxury Hotels. For our members with less than 100 rooms, Professional Association of Innkeepers International (PAII) and state hotel associations were the most frequently mentioned.

You will also attain greater SEO by including links back and forth from outside sources, like blog articles, about your location and activities. Adding the shared photos of your actual guests (with their permission) from Instagram with hashtags pointing out your relationship to these activities also helps improve your search results. By telling an authentic story through your website that you have clearly defined, your guests will come and experience that story and share it, your SEO will continue to improve, allowing more guests to discover you, and the cycle begins again.

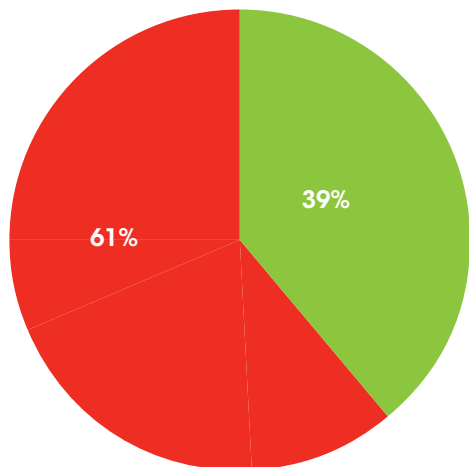
Voice Activated Searches - A new opportunity for SEO is in the growing number of voice activated searches. Interviewed hotels named two great ways to organically optimize your website to increase your chances to be #1. First, voice search is looking for specific schema categories, and if your website has this built into it in the right manner, you can be first. Second, the creation of FAQs is often a user-friendly way to be found. Take a look at this website for the Hotel Nikko – FAQ page:



Source: <http://www.hotelnikkosf.com/faq.aspx#gref>

Doing a voice search of “find me a hotel near Union Square” provides the Hotel Nikko a better chance of being displayed because the website has built the answer in the FAQs section.

Once you are certain you have done organically all you can do, you are ready to consider paid search options.



BASED ON YOUR HOTEL REVENUE, WHAT PERCENT DO YOU SPEND ON ALL MARKETING?

- Less than 4% Dollars Spent
- More than 4% Dollars Spent

Over half of all hotels surveyed spend 4% or more of their revenue on marketing.

Two of the most popular paid marketing opportunities mentioned by surveyed hotels were mobile ads and retargeting. Mobile bookings have a shorter booking window and were used by surveyed hotels to fill unsold inventory. Retargeting was used to capture guests that had already visited your site. Once a guest visits your website but doesn't book, you can pay to have your ads appear in other non-hotel/non-travel related searches your prospect might be doing.

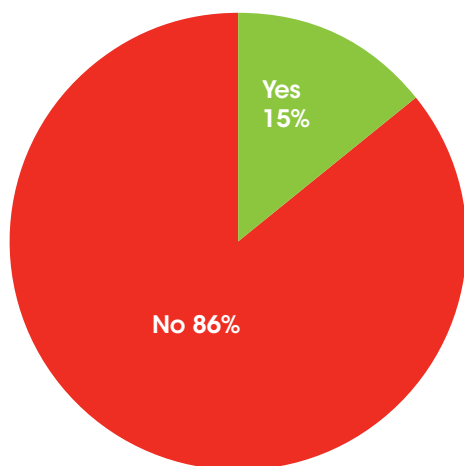
Which social tool would you say has the best return on your investment of time or money? Please rank in order (1 = best ROI, 2 = second best, etc. or N/A if you do not participate)

	1	2	3	4	5	6	7	N/A	Not Sure/Don't Measure
Facebook	55.0%	10.0%	6.4%	2.9%	1.4%	4.3%	4.3%	4.3%	12.1%
Twitter	2.9%	22.9%	17.9%	8.6%	2.1%	5.0%	1.4%	20.0%	21.4%
Instagram	6.4%	15.0%	18.6%	7.9%	4.3%	1.4%	2.1%	23.6%	22.1%
Snapchat	0.7%	1.4%	2.9%	5.7%	7.1%	2.1%	5.0%	40.0%	35.7%
Pinterest	2.1%	4.3%	7.1%	9.3%	12.9%	6.4%	2.1%	30.0%	27.1%
LinkedIn	2.1%	5.0%	2.9%	13.6%	6.4%	7.9%	3.6%	29.3%	30.0%
Other (Please be specific in comments)	5.8%	0.7%	0.0%	1.4%	0.0%	0.7%	2.2%	47.5%	41.7%

Surveyed hotels clearly named Facebook as the paid social media with the greatest ROI. The Facebook Custom Audiences was used the most by the hotels we interviewed. This approach requires that you provide at least part of your guest data to Facebook, and then you have two options. First, you can market to that group, and to their "friends" on Facebook, or you can create a "lookalike" audience based on the demographic audience you provided. You can then create specific ads to be served to those audiences. More information can be found at: <https://www.facebook.com/business/help>

Respondents indicated that email is still the workhorse of the acquisition phase. Maintaining a strong database of guest emails and preferences is one of the most important marketing tools. Hotels can create a database from their guests or by purchasing lists.

Knowledge about your existing or desired guests will make your email marketing more effective. We have found the most successful email marketers have a booking engine that is integrated with their Customer Relation Management (CRM) software. An integrated CRM and booking engine allows the property to capture information about the guest's preferences while they are in house so that follow-up emails can be personalized to offers that appeal to them.



DO YOU USE ANY MARKETING AUTOMATION SOFTWARE?

Only 15% of hotels surveyed use marketing automation software and there was no clear leader within the software choices. Software mentioned included Digital Alchemy, Travel Click, Guestfolio, Flip.to, Sojern, Hootsuite, Mailchimp, Navis, Pipedrive and Rateminder.

Personalization - Email personalization means understanding where that person is in the buying process and supplying him with the right information. For example, if you are emailing to that purchased list, a call to action to "book now" is not likely the best approach. You don't know where these contacts are in the buying process so try to begin to engage with them in a way that isn't direct selling, but opening up a dialog, not unlike how you would talk to a stranger. Once you get some interaction with them - for example, they make a visit to your website and look at your dine around packages. The next email you send them can then be a bit more personalized, perhaps offering a special deal on that dining package.

Conversion

Once you have identified the right prospects and gotten them to your property - either via phone, website or email - you need to seize the moment and convert that looker to a booker.

Back to Basics – Make sure your staff is trained to convert callers into bookers. In many cases this will be a customer’s first impression of your service so make sure you tell your story. Simply by asking for the reservation, you are more likely to convert the caller. Are your agents asking for the reservation? Do some mystery shopping for your agents to determine the real answer to that question.

Beyond staff training, independent hotels are now investing in technology to help track and close more phone calls. By capturing the caller name and number automatically, you can make an outbound call if the booking wasn’t successful initially and the results are compelling. You are also able to use this technology to create and track the success of digital ads or specific product landing pages with a unique phone number. That information can be served to your agents, so they know this person is interested in the golf package or shopping excursion you have created on your website. They can then tailor the conversation around the specific needs of that caller to increase the conversion rate.

Good websites can also lead to more conversions.



61% of independent hotels surveyed have done a major website update in the past year or sooner.

We interviewed several independent hotels about their best ROI practices around conversions, and this is what we found out:



Invest in quality images and video. Imagery may be the most important element to your website. Inviting and targeted imagery draws in your audience and can increase bookings.

As an independent, you have the ability to showcase the visuals that tell your story better. One of the best examples of fantastic visuals is the South Seas Island Resort. <http://www.southseas.com/>.

You will notice a section on their website that says stories, and it is pictures of actual guests along with testimonials. These pictures convey the emotion of the place almost better than the beautiful aerial view. And that is the key to great imagery – the emotional tug.

STORYTELLING: Get guests to help tell your story! Photo contests are a great way to get your guests involved with sharing their pictures of the great time they had at – or around – your property. Offering a free weekend to the winner of the contest inspires some competition and encourages participants to get their friends involved with voting- bringing them to your website.



Book Direct & Save 10%

Why Look Anywhere Else - Your Island Escape Awaits

BOOK NOW!

Offering a discount, a free upgrade, or other value adds are valuable incentives to travelers.

Shopping Cart Abandonment

Shopping cart abandonment reactions are another strong conversion enhancer. The first thing you should explore is why your visitors are leaving your site without booking. Before you can make any educated guesses, you will probably need to track three things.

- First, how many visitors come to your website and click on your book now button?
- Second, how many book?
- Third – how many stay at your property (cancellation rate)? By measuring these three elements, you may be able to determine how to convert more bookings and increase your number of stays.

Price Widgets

Some hotels have begun to work with companies that add a price widget directly on your website. A few surveyed hotels have widgets on their site that show their book direct price is the same or lower than the online travel agencies. They believe this increases conversion rate.

Contact Information

Most of all, make sure you list your hotel address, phone and email contact information on the home page – above the fold. Several independent hotels report this as an opportunity to provide an easy method of contact for prospects – a direct phone number or an email address. The key here to converting more bookings is to be sure to respond quickly via email, or as previously mentioned, have a well-trained staff member answering the phone.

WHAT FEATURE DOES YOUR WEBSITE OFFER NOW OR ARE YOU PLANNING TO ADD THIS YEAR?

	Already Have	Planning to Add	Do Not Have Plans to Add
Live Chat	8.0%	13.0%	79.0%
Submit and RFP	46.4%	10.1%	43.5%
Submit a Review	50.0%	18.1%	31.9%
Calendar of Local Events	65.2%	15.9%	18.8%
Videos of Hotel	52.9%	30.4%	37.7%
Videos of Area	31.9%	30.4%	37.7%
360 Room Tours	22.5%	29.7%	47.8%
Package Description/Deals	79.7%	5.1%	15.2%
Social Sharing	68.1%	12.3%	19.6%
Email Capture (Join Our Email List)	71.7%	13.0%	15.2%
Search Function	47.1%	10.9%	42.0%
Contests	19.6%	15.2%	65.2%
Interactive Map	47.8%	15.9%	36.2%
Foreign Language Options	23.9%	16.7%	59.4%
Loyalty Club Points	15.2%	10.9%	73.9%
Your Own App	13.8%	13.0%	73.2%
Virtual Reality	4.3%	14.5%	81.2%
Other (Please be Specific in Comments)	5.1%	2.9%	92.0%

Over 70% of websites from surveyed hotels have email capture and/or offer package deals. Videos were the area most likely to be added by surveyed hoteliers. Many interviewed hoteliers indicated that they were likely to add live feed videos – typically around a culinary event (kitchen, tasting rooms) or weather – a snow cam for skiers.

Conclusion

Marketing is a way for a hotel to tell its story to attract guests and convert them to loyal customers. Each hotel knows it has unique features but with over 54,000 hotels in the United States including over 22,000 independent hotels it takes a good strategy and solid tools for an independent hotel to tell its story in a way that stands out.

Successfully telling your story includes an acquisition strategy that you are always updating, and always adding to the tools to execute that strategy. Those tools included collaboration and partnerships, personalization, always your story, and keeping up. One of the most popular modern ways to keep up was with the ever-increasing ways to provide visuals to your consumers.

In putting this guide together some of the items that stood out the most to us were:

- 61% of hotels surveyed have completed a “major website update” within the last year and 84% of hotels have completed a “major website update” within the last two years

- Half of independent hotels surveyed get more than 10% of their business through online travel agencies with 8.5% receiving more than 50% of their business from online travel agencies

- 58.5% said that Facebook was the social tool that has the best return on investment of time and money

- Over 60% of independent hotels surveyed websites have email capture and nearly 50% of hotels have videos with another 30% planning to add videos

- 61% of independent hotels surveyed spend 4% or more of their revenue on marketing

- 30% of independent hotels surveyed rely on an independent lodging marketing group like Preferred, or Leading Hotels, to help them market.

These were just a few of the many insights we gained from putting this guide together. We hope you also gained terrific insights while reading this guide that will allow you to add new tools to your marketing and new direction to your strategy so you attract and convert more guests.

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