



*The Smart Hotelier's Guide to  
2015 Digital Marketing Budget Planning*

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BY MAX STARKOV & MARIANA MECHOSO SAFER

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The season for digital marketing reflection is here. As an industry we reflect on the performance of this year's initiatives, forecast next year's performance, and look ahead to the big ideas and proven initiatives that will generate increased online revenue opportunities. Hoteliers, we've quickly found ourselves in the midst of budgeting season!

Similar to this year, 2015 is expected to be another year that sees growth in all 3 key metrics for the U.S. hotel industry. By the end of 2014, the industry is predicted to have seen increases in occupancy (1.4%), ADR (4.2%), and RevPAR (5.7%). In 2015, occupancy is expected to increase 0.6 percent to 63.5 percent, ADR by 4.3 percent to US\$119.93 and RevPAR by 4.9 percent to US \$76.13. Demand is expected to grow 2.2 percent, supply by 1.6 percent (STR and Tourism Economics).

Capturing increased demand, shifting share from the OTAs to the property website, and bringing in higher ROIs takes a smart digital marketing strategy. Hoteliers that underspend in digital marketing and underestimate the sheer volume of consumers researching and booking online will continue to lose market share to their competitors and the OTAs.

This article outlines how to structure your budget so that you can shift more bookings to the direct online channel, better utilize your marketing dollars by increasing campaign effectiveness, and generate the highest returns possible from your property website and digital marketing initiatives.

## Important Factors Impacting our Industry

Before we dive into how to structure your 2015 budget, here are a few important factors that are making an impact on the overall direct online channel strategy for our clients.

### Acceleration in Shift from Desktop to Mobile Tablet

Over 42% of website visitors and nearly 16% of bookings came from tablet and mobile devices in the first half of 2014. Visitors to desktop sites declined 16% year over year while increasing by nearly 51% on mobile devices.

Hoteliers must meet the needs of the multi-device user by [boosting their presence in the three screens](#) (desktop, mobile and tablet). Year-over-year web analytics no longer paint the full picture because the majority of mobile bookings come from the voice channel.

We are living in a multi-device world and people are always connected, always 'online.' Hotel marketers must be able to not only deliver the optimal experience regardless of device, they also need to adjust how they measure results: online conversion data alone should not drive decisions on digital marketing spend and performance.



### Multichannel Marketing Essential to Reach Customers at All Touch Points

There's a lot of research and multi-device behavior that goes into the travel booking process. According to Google, the average length in days before a purchase is 24, and average site visits before purchase is 21.6. Just one website visit or just one marketing initiative to reach your potential guests is not enough. Driving more engagement and more bookings requires using multiple channels (the website, paid search, SEO, email marketing, social media, retargeting, etc.) to promote one campaign.



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50%

Google™ YAHOO! bing™

Of direct online revenue results  
from the search engines.

The diagram illustrates the 'DRM gateway' concept, which integrates real-time availability and pricing across various digital marketing channels. The central 'DRM gateway' logo is a large, colorful sphere. Four arrows point from this central point to four distinct marketing channels, each represented by a colored box and a screenshot of a relevant website or search result:

- Website Promos** (Orange box): A screenshot of the Revere Hotel Boston Common website showing a room and the text 'THIS WEEKEND'S RATE Based on availability \$269/night'.
- Travel Ad Networks** (Red box): A screenshot of the Parrot Key Resort website with the text 'Define your paradise. Sep 17 Rate: \$358'.
- SEM / Paid Search** (Orange box): A screenshot of a search engine results page for 'Family Vacation \$119nt - Official Site - ParrotKeyResort.com'.
- Meta Search** (Orange box): A screenshot of a meta-search engine results page showing a table of hotel prices for various locations like Boston, New York, and Los Angeles.

At the bottom, a large blue banner reads: 'Feature Real Time Availability & Pricing in:'.

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## Action Plan for Preparing the 2015 Digital Marketing Budget

Underspending in digital marketing has been a problem in our industry for years. Hoteliers should be spending a minimum of 4% of their total room revenue on advertising/marketing efforts, of which 75% should be spent on digital marketing. How can we justify such a high percentage going to digital? In 2015, over 50% of hotel rooms will be booked online, including 45% transient and at least 5%-10% of group roomnights. Additionally, the vast majority of travel consumers, leisure and corporate alike, plus corporate group planners and SMERF group organizers, do their travel planning and research online.

Maximizing revenues from your property website and shifting share from the OTAs requires a dual focus: smart investments in your digital assets and the right mix of direct response digital marketing campaigns.

Your 2015 budget should be broken down in the following manner:

- I. **Direct Response Digital Marketing Campaigns:** Line items that drive high revenues for hospitality companies such as SEM, SEO, Email Marketing, Meta search Marketing, Social Media, and Website Conversion Enhancements are all considered direct response marketing initiatives. When taking into account the actual budget allocated to each initiative, HeBS Digital recommends taking a Year-Round and Seasonal/Business-Needs focused approach.

1. **Year-Round:** Certain digital marketing initiatives are proven revenue generators and deserve a significant portion of the budget allocated to them year-round. This includes SEM, SEO, Email Marketing, Metasearch, Dynamic Rate Marketing on the top travel networks, and more.
2. **Seasonal & Business-Need Focused:** This portion of the budget takes into account a property's seasonality as well as specific business-needs such as how to target specific high value segments (i.e. meeting planners, family travelers, etc.) or fill rooms after a group cancellation. The Seasonal & Business Needs focused budget should remain dynamic and flexible as the year progresses. Many initiatives in the year-round budget may overlap here, however they will be organized into a multi-channel campaign that promotes one cohesive message throughout multiple channels.

- II. **Digital Assets, Website Revenue Optimization Consulting+Strategy & Operations:** These line items provide the necessary foundation for digital marketing success. This includes a responsive website that accommodates consumer behavior on the three screens (desktop, mobile, tablet), your Content Management System, website revenue optimization consulting and strategy, web analytics, and cloud hosting.

Calculate Total ROOM Revenue



Spend 4% Minimum of Advertising/Marketing Efforts



75% of the marketing budget should be spent on digital

### 1. Direct Response Marketing Campaigns

- **Year Round:**
  - Digital marketing initiatives that are proven revenue generators and deserve a significant portion of the budget allocated to them year-round. This includes SEM, SEO, Email Marketing, Metasearch, Dynamic Rate Marketing on the top travel networks, and more.
- **Seasonal & Business-Need Focused:**
  - Takes into account property's seasonality as well as specific business-needs such as how to target specific high value segments (i.e. meeting planners, family travelers, etc.) or fill rooms after a group cancellation.
  - Should remain dynamic and flexible as year progresses.
  - Many initiatives in year-round budget may overlap here, however will be organized into a multi-channel campaign that promotes one cohesive message throughout multiple channels.

### 2. Digital Assets, Strategy & Operations

- Foundation for digital marketing success. Includes an adaptive website that accommodates consumer behavior on the three screens (desktop, mobile, tablet), your Content Management System, strategy consulting, analytics, and cloud hosting.

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## I. Direct Response Digital Marketing Campaigns and Initiatives

Initiatives in this section of the budget all have one major goal in mind: to drive online bookings and leads. Advancements in technology and smarter targeting capabilities this year are helping hoteliers to achieve higher ROIs through their own website. Additionally, advancements such as [Dynamic Rate Marketing](#) are turning predominantly branding initiatives into direct-response initiatives, driving initiatives such as banner advertising higher up the purchase funnel.

### 1. Year-Round

These initiatives should be included in the budget year-round and consistently generate high returns for all types of hospitality companies.

#### A. SEO

Every year, Google's algorithm changes more than 500 times. A property website is "never done with SEO" as illustrated by our recent article "[SEO is a Journey, Not a Destination: How to Implement an Ongoing SEO Strategy and Maximize Website Revenue.](#)"

Hotel websites have to keep up with high new standards imposed by the search engines who demand fresh, unique, engaging and deep relevant content and must meet the standards of "Editorial Quality" mandated by the [Hummingbird](#) update. SEO must also align with SEM/Paid Search campaigns for higher Quality Index of campaigns and stronger ROIs.

Did you know that sixty-two percent of the results on Google show different results on mobile devices compared to desktop and that 27 percent of websites are misconfigured for smartphone searches (BrightEdge). Optimizing for the three screens (desktop, mobile and tablet) is another important factor to consider.

SEO generates 30%-35% of website revenue across HeBS Digital's hotel client portfolio. Hoteliers must budget for ongoing SEO support, long after the website launches. Maximizing revenues from organic search results is a year-long effort.

SEO action items to put in the budget:

- Creation of new optimized pages
- Optimization of existing website content
- New marketing landing page creation
- Optimized blog posts supporting strategic SEO efforts
- Creation of high-quality inbound links / Removal of harmful inbound links
- Optimization of local search engine listings on Google, Bing, and Yahoo
- Optimization of the property's listings on main data providers
- Implementation of technical back-end enhancements

Partner with a hospitality-focused SEO firm who combines in-house professional copywriting with expert SEO services as demanded by the search engines. Please read "[The Top 10 Questions Hoteliers Should Be Asking Their SEO Vendor.](#)"

#### B. SEM / Paid Search

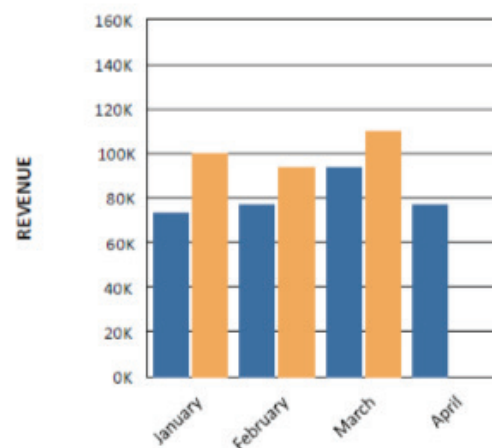
Paid search generates 20%-25% of website revenue across HeBS Digital's hotel client portfolio. Paid search is one of the highest drivers of direct online channel revenues, which is why we continuously dedicate such a large portion of the budget to it. Managing these campaigns, however, is becoming increasingly complex year after year and requires a greater time commitment to achieve high returns.

Here are some of the reasons why launching, managing and optimizing paid search campaigns requires a much higher level of expertise and time commitment today:

- **Increased competition from the OTAs:** the OTAs are bidding aggressively on your brand keyword terms. This practice has resulted in a significant increase in cost of brand-name keyword terms for almost all hospitality companies.

#### Case Study:

**Upscale Hotel in Monterey sees 30% increase in Organic Conversions**





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- **Aligning campaigns with SEO and a multichannel marketing strategy:** Paid search campaigns should not exist in a silo. Campaigns should include concrete rate/package information, and be supported by retargeting, dynamic rate marketing, meta search, email, social media, and more.
- **Multi-screen user behavior:** hotel queries grew by 11% in Q1 of this year. Desktop queries grew by 3% only, compared to mobile queries up by 28% and tablet up by 16% (Google). Managing campaigns for desktop search only means ignoring close to half (44%) of all searches. Each device requires a different strategy to generate conversions.
- **Smarter targeting methods:** Google is consistently releasing improvements in targeting methods, allowing hoteliers to be more cost-efficient in reaching the right user at the right time.

Partnering with an SEM/Paid Search firm with an in-house SEM expertise who focuses on SEM in hospitality is a pre-requisite to the success of your paid search campaigns. Please read "[The Top Ten Questions to Ask Your Paid Search Vendor](#)."

*Recommended share of the budget: 20%-25%*

## C. Meta Search Marketing

Meta search marketing is a "must have" initiative for any independent hotel, resort and casino and any small and mid-size hotel chain; it is as important as SEO, SEM and email marketing and should be part of every hotel's effort to shift share away from the OTAs and increase direct bookings.

Travel consumers go to metasearch sites/platforms such as TripAdvisor and Google HPA as part of their hotel stay research process and to validate their hotel choice. Reading a property's great reviews helps to close the loop on travel research and booking, bringing metasearch websites closer to the purchase stage in the conversion funnel.

As a marketing format, meta search marketing is quite complex due to the fact that it requires real-time room availability and pricing, in addition to daily campaign and bid management.

Contrary to some perceptions in the industry, meta search is not a distribution channel, nor is it a "set and forget" marketing initiative. It is a cost-per-click (CPC) advertising format, where the advertiser pays only when someone clicks on their listing and is taken deep into their booking engine. Meta search marketing is and should be used as an advertising model and not a distribution channel. Please read why "[Treating Meta Search Marketing as a Distribution Channel Results in Loss of Direct Revenues for Hoteliers](#)."

Since only the top three positions on TripAdvisor and the top two on Google HPA/Hotel Finder matter, just being enabled means nothing since without daily campaign and bid management the OTAs will push the property down or out of the pricing ad menu.

*Recommended share of the budget: 10%-12%*

## D. Dynamic Rate Marketing – Top Travel Networks

Dynamic Rate Marketing (DRM) is a next-generation direct-response marketing category which allows real-time hotel inventory availability and pricing to be inserted in various marketing initiatives: from display advertising to retargeting, meta search and email marketing.

Dynamic rate banner advertising and retargeting has already proven to be a very successful direct-response advertising format on several specialized ad networks, generating significantly higher conversions and ROIs than banner advertising without dynamic rates.

Dynamic Rate Marketing dramatically increases campaign effectiveness, boosts conversion rates, and increases direct online bookings. By combining online advertising and marketing campaigns with real-time hotel inventory availability and pricing, hoteliers can satisfy travelers' demands for instant and truthful hotel pricing information, as well as respond in real-time to changing market conditions

## Case Study: SEM for Hotel in NYC

### Results

Timeframe: 2013

Cost: \$199,428

Revenue: \$4,008,254

ROAS: 2010%

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and comp set behavior. Even with such complex technology behind it, Dynamic Rate Marketing is surprisingly cost-effective, quick, and easy for hoteliers to implement today.

[Please read more about why Dynamic Rate Marketing is Hotelier's Powerful New Weapon to Shift Share from the OTAs.](#)

*Recommended share of the budget: 10%-12%*



Case Study: DRM Advertising for a Resort in the Florida Keys

**Results:**

**ROAS**

2,500% (25 to 1)

**Time Span**

2 Months (June & July 2014)

## E. Online Media and Retargeting

Influenced by unprecedented advancements in technology, display advertising is growing at a staggering 21 percent and is expected to surpass paid search in 2015 (ZenithOptimedia 2014).

While complex on the backend, the newest technologies available in display advertising are surprisingly cost-effective, quick and easy for hoteliers to implement today. A great example of the endless opportunities for hotel marketers is The Google Display Network (GDN):

The Google Display Network is the largest global network, reaching over 87% of Internet users worldwide and 94% of all US Internet users per month. Its collection of over 2 million publishers includes hundreds of comScore's top 1,000 sites. Hoteliers should not only have a presence in this space, but they should be using the latest digital targeting innovations to bring qualified visitors and potential bookers to their site, such as:

**Similar Audiences:** This targeting option uses the browsing activities of your website visitors and targets users with similar interests and habits.

**Retargeting:** Reaches visitors who have been to your site, have shown interest, and have started the conversion process. Retargeting aims to bring those customers back with highly relevant messages that pertain to the interest they have shown while visiting the site (weddings, family travel, business, etc.)

**In-Market Buyers:** Reaches people whose habits suggest that they are in the final phases of the purchase conversion funnel for a product similar to yours (i.e. a hotel room in your market) and ready to make a booking.

With these options, hoteliers can target the most qualified user, allowing them to spend less and generate significantly higher returns. The possibilities for hoteliers in the display space are more exciting and accessible than ever before.

Please read ["The Top Ten Questions to Ask Your Online Media Agency."](#)

*Recommended share of the budget: 10%-12%*

## F. Recovering Abandoned Reservations

On average, only 5% of website visitors that go to a hotel website actually complete the booking.

This leaves the vast majority of website visitors unexposed to a hotel's rates and special offers. Even if a website visitor has decided to stay at the property, he or she may not feel compelled to complete the booking at that time or even via the hotel's own website.

Properties can recover abandoned reservations in multiple ways that work together:

- **Reservation Email Retargeting:** When a website visitor abandons the reservation process, Email Retargeting invites and incentivizes the potential guest to come back and complete the reservation. The prospective guest receives a well-designed branded email, which includes a customized marketing message, a one-on-one promotion or booking incentive, and a link back to the abandoned booking engine.

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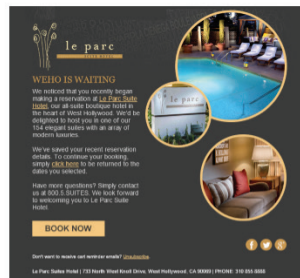
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- **Reservation Abandonment Program (RAP):** Serve a marketing message to website visitors who abandon the website and the reservation process. This message is served only when someone initiates a booking and clicks on the "Search Availability/Rates" button.
- **Reservation Reminder:** Visitors in the dream stage of travel planning set a date for a reminder email to be delivered to them. The potential booker is then sent an email reminder on the date they have chosen, which can feature an incentive to book at that time

[Click here](#) to read how an independent hotel recovered tens of thousands in abandoned bookings.

*Recommended share of the budget: 5%-6%*

## Reservation Email Retargeting

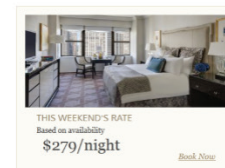


Put it all together to drive the conversion.

## Reservation Abandonment Program (RAP)



## Smart Rate Promo



## Reservation Reminder



## G. Email Marketing

Living in a multi-device world means that people are connected to their email at all times. Email marketing is a low cost, effective digital marketing initiative that generates average returns of 800-1200% (HeBS Digital clients).

Being able to reach people at all times however, does come at a cost. It requires an email marketing strategy that aligns with the travel consumer who has minimal patience and a general distrust of advertising. This includes:

- **Design and copywriting accommodating smaller screens:** This includes shorter marketing messages, a focus on 1-2 promotions, and landing pages that are mobile-friendly.
- **Increasing your email opt-in list:** email sign-up forms on the website that allow people to choose their interests, and interactive promotions such as Limited Time Offers that help grow the email list, are effective ways to keep building your list.
- **Using data wisely:** once you have your list categorized by interest, send email messages targeted to those people. For instance, meeting and event planners should receive emails with event specific messaging. Investing in more sophisticated targeting methods, such as being able to exclude people that already have a reservation from seeing certain promotions, should be considered.
- **Dynamic content personalization:** a good content management system should allow you to collect data on users coming to your site. With that data, you can then turn around and serve personalized content to people that are already in your opt-in list (i.e. in the website's main image area, serve the specific promotion they just saw in their email inbox).

*Recommended share of the budget: 4%-5%*

## H. Social Media

In the [Top 10 Questions to Ask Your Online Media Agency](#), we discussed how social platforms such as Twitter, Facebook, and YouTube have released ad-targeting options that use the brand's own data to reach highly qualified users with relevant messages and offers.

Facebook's lookalike feature allows marketers to target people with similar characteristics as their website visitors, mobile app users, and Facebook fans. Twitter's "tailored audiences" reaches users on Twitter who have shown interest by visiting the brand's website. YouTube provides ad targeting to reach viewers based on their past interactions with the brand's videos or YouTube channel. In addition, there are travel networks available to hoteliers that retarget site visitors with ads across Facebook and Twitter, as well as mobile and the web.



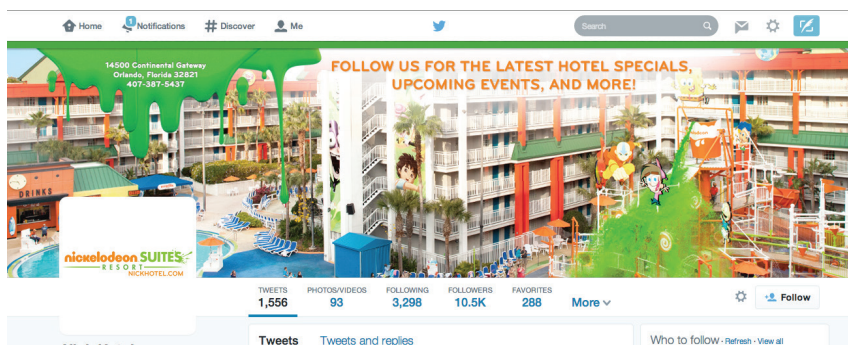
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A successful social media strategy also requires a strong foundation. The hotel's presence on these social media platforms should be treated as an extension of their website, and branded appropriately. This means well-designed Facebook and YouTube cover photos, Twitter profiles, Google+ cover photos, etc. Hoteliers should also invest in keeping all their social media platforms updated frequently, and to never leave a complaint unanswered.

*Recommended share of the budget: 2%-4%*



## 2. Seasonal & Business Needs

Building effective digital marketing campaigns means reaching people at various stages in their travel planning journey. Multichannel marketing campaigns are the most effective way to address concrete business needs, increase reach, and boost bookings & revenue for a need period.

This portion of the budget should incorporate your property's seasonality as well as specific business-needs (i.e. need to fill weekdays vs. weekends, occupancy needs, group cancellations, seasonal slowdowns, etc.), and also target specific high value segments. The Seasonal & Business Needs focused budget should stay flexible throughout the year. Many initiatives in the year-round budget may overlap here, however they will be organized into a multi-channel campaign that promotes one campaign theme throughout multiple channels.

To begin building a successful multi-channel plan, it's important to start by asking:

- **Who:** determines the target customer segment the property is trying to reach.
- **What:** helps get to the core of the business need, what campaign message should resound with the target segment, and what channels will effectively reach this audience.
- **When:** helps determine the best time to reach this target segment and answer the business need for greatest impact and ROI.

At HeBS Digital, we answer these questions, take the property's goals (for instance, do they need bookings over the weekend? Do they need to attract more groups?), and then brainstorm multichannel campaigns that utilize the right marketing channels effectively and, most importantly, promote one cohesive campaign message across these channels.



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Reaching people at multiple touch points in this manner is a must. Google data shows that a great deal of research goes into trip planning:

- 24 - Average journey length in days before purchase
- 1:43 – Average research time in hours before purchase
- 21.6 – Average site visits before purchase

It's important not to review your results of each marketing initiative in isolation of each other. You'll miss the big picture, pause campaigns that are working, and your overall revenues will greatly suffer as a whole.

*Recommended share of the budget: 10%-15%*

## II. Digital Assets, Website Revenue Optimization Consulting, Strategy and Operations

The foundation of your digital marketing strategy, budgeting for these initiatives is crucial to the success of all of your campaigns.

### 1. Property Website Redesign & CMS Technology Upgrade

The difference between an ordinary hotel, resort or casino website and a great one could be measured in hundreds of thousands of dollars of missed revenue a year. Some hoteliers are mistakenly led to believe that 'going cheap' when re-designing their property's website will save money. Wrong! Not investing in the correct property website will cause you to lose money and severely damage the hotel's bottom line.

A property website must incorporate the right balance of excellent design, state-of-the-art digital technology and engaging visual and textual content, while providing an optimum user experience from top to bottom, which inevitably will boost conversions and revenues from the site.

In the multi-screen world we live in today, hoteliers must meet the needs of their guests on every device. This means investing in technology that allows for the best user experience on the three screens: desktop, mobile and tablet. This is best achieved via Adaptive Web Design aka Responsive Design on the Server Side (RESS), which allows the property website to serve the right website content in the right device category (desktop, mobile, tablet) while ensuring the maximum user experience, relevancy of information and conversions. In the following article we have identified "[The Top 10 Questions Hoteliers Should Be Asking Their Website Design Vendor](#)."

In the first half of this year, over 41% of web visitors and nearly 38% of page views were generated from non-desktop devices (mobile and tablet, [HeBS Digital portfolio data](#)). This shift should be viewed as an opportunity to increase revenue and customer engagement across all devices.

What kind of user experience should you be providing on the three screens?

Desktop users want as much information as possible. Include a minimum of 25-50 content pages per property and another 50-100 specialized marketing and landing pages featuring special packages, promotions and events. Include visual galleries with photos and videos, as well as customer reviews and other in-depth hotel and area information.

Mobile Users require short, slimmed-down content with easy access to maps and directions, real time "smart rates" and availability, a mobile booking engine and a click-to-call property reservation number.

Tablet Users are looking for deep, visually enhanced content about the property and its destination (because of those retina screens). The tablet website should also accommodate for touch-screen navigation and swiping behavior, which is how people are accustomed to navigating on a tablet. A tablet-optimized website will generate conversion rates several times higher than those of mobile devices.

The more relevant a consumer experience, the more engaged the customer is, increasing the likelihood for the conversion.



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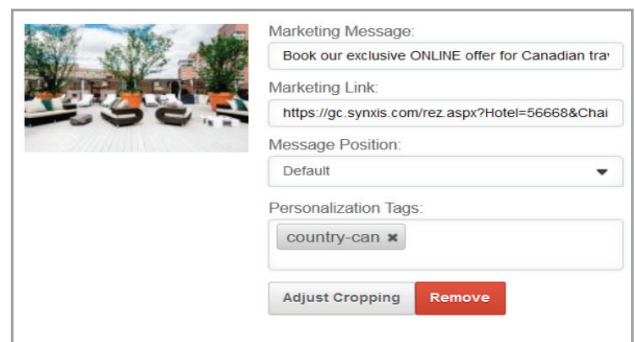
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A word about the need for an upgrade to the property's Content Management System (CMS):

Today's content management system should do much more than simply allow the updating of content and photos. The ability to change your navigation, update the look of your website design with one click, publish content to social media profiles and deliver personalized dynamic content should also be a part of your CMS. Your content management system should help you maximize your presence and revenue from the three screens.

Your CMS should offer features such as:

- Cloud-based technology for lightning-speed responsiveness
- CMS architecture developed specifically for the hospitality industry
- Adaptive Design/Responsive Design On Server Side (RESS)- friendly
- Dynamic content personalization and one-to-one marketing
- Functionality to push promotions to the hotel's social media profiles
- Full compliance with the latest Google algorithm changes and SEO standards
- User-friendly capabilities to change look and feel of web design
- Foreign language modules
- A suite of reservation conversion features



Marketing Message:  
Book our exclusive ONLINE offer for Canadian tra

Marketing Link:  
<https://gc.synxis.com/rez.aspx?Hotel=56668&Chai>

Message Position:  
Default

Personalization Tags:  
country-can

Adjust Cropping Remove

*Recommended share of the budget: 8%-10%, based on total cost amortized over 24 months.*

## 2. Interactive Marketing Applications

Interactive marketing initiatives such as Limited Time Offers (LTOs), contests and promotions are the perfect focal point for any multichannel marketing campaign and will generate buzz and even more importantly, bookings. This type of initiative will also increase traffic to the site, encourage repeat visits, and increase time spent on the property website. Multichannel marketing campaigns that utilize Interactive Marketing Applications effectively show dramatically increased engagement and revenue. Examples include:

- Limited Time Offer (LTO) - from Spring Sale and Summer Family Getaways to Cyber Monday or Holiday Getaways, an LTO promotion is a great way to boost revenue in a much needed period, increase your email opt-in list, drive traffic to your website, and create captive audience for your property.
- Facebook Interactive Application - a Facebook contest will engage your target audiences, increase your fan base, help make any campaign go more viral, and build your email opt-in and customer database.

*Recommended share of the budget: 4%-6%*

## 3. Campaign Tracking & Website Analytics

A strong analytics tool and strategy allows for quick insights into the performance of the website and all digital marketing campaigns. The ability to receive real-time data reflecting the results of online marketing efforts translates to having access to actionable data that you can use to constantly improve website and campaign performance.

## Multichannel Campaigns

Case Study: **Triumph Hotels Cyber Monday Campaign**



Limited-Time Offer	Email Promo	Online Travel Consumer Deal Alert
Facebook Promoted Post	Website Promo Slide	Online Media

### Results

- Revenue: +77% YOY
- Bookings: +51% YOY
- ROAS: 3,171%

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Analyzing website and digital campaign performance today should include the following two components:

1. Online reservation tracking: Use sophisticated analytics – such as Adobe Omniture SiteCatalyst – to determine contributions from and the dynamics of each of the three channels (desktop, mobile, tablet).
2. Offline reservation tracking: [A recent case study by HeBS Digital and Navis](#) demonstrated how a whopping 44% of a property's online marketing revenue was made through voice reservations, thus leading to a shift in marketing spend and increased ROIs for the client.

*Recommended share of the budget: 2%-3%*

## 4. Cloud Website Hosting and Content Delivery Network (CDN)

Search engine rankings and conversions are increasingly dependent on high download speeds. Travel consumers do not book on websites with slow download speeds. Choosing a hosting platform is about more than just keeping your website up; it has become a decision that can severely impact your revenues if not handled properly.

For example here at HeBS Digital we utilize secure, enterprise-level “Cloud” hosting with built-in redundancy and load-balancing, and CDN (Content Delivery Network) platform enabling distributed content delivery of the rich media content, both of which dramatically increase download speeds on our clients' websites, improves user experience and conversions, and improves search engine rankings that are increasingly dependent on fast download speeds.

Choose a Cloud Hosting and Content Delivery Network (CDN) platform that will allow for:

- Website download speeds of 2.5 to 3 times faster than industry average
- Virtually no down time
- Fluid bandwidth usage to accommodate spikes in website traffic due to seasonality and promotions
- Unlimited disk space to store your property's digital asset library, including all photography, pdf brochures, etc.
- A content distribution network (CDN) that increases the response time of the website, a key factors in Google search rankings

*Recommended share of the budget: 2%-3%*

## 5. Website Revenue Optimization Strategy & Consulting

A property that has a high revenue-generating website and digital marketing strategy that drives direct online bookings needs a great hotel digital marketing partner behind it. Your website revenue optimization consultant and account manager should utilize the full digital marketing toolkit: SEM, SEO, Dynamic Rate Marketing, Online Media and Retargeting, Email Marketing, Meta Search, Reservation Recovery Applications, Multi-Channel Marketing, Social Media, etc., to lead the property in achieving maximum revenue from the property website/direct online channel.

With your bottom line at stake, choose a partner that:

- Offers proactive recommendations vs. simply “taking orders”
- Is an extension of your property's sales and marketing team
- Has aligned goals and values that keep your property's best interests should be at heart
- Keeps your team on-property efficient, focused, and ahead of the curve

Any hotel that has a high revenue-generating website and a strong digital marketing strategy that drives direct online bookings needs a great hotel digital marketing partner behind it. We have identified “[The Top Ten Questions to Ask Your Digital Marketing Partner](#)”

Choose a partner that has both digital technology and digital marketing capabilities under one roof and that will help you keep up with the rapid development and marketing opportunities available in the industry today. You should not settle for anything less than the best, a partner that will lead your property in achieving maximum revenue from the property website/direct online channel.

*Recommended share of the budget: 8%-10%*



# The Smart Hotelier's Guide to 2015 Digital Marketing Budget Planning

By Max Starkov and Mariana Mechoso Safer

HeBSdigital

## Snapshot of the 2015 Digital Marketing Budget\*

Budget Line Item	% of Budget to Dedicate
<b>Direct Response Marketing Initiatives</b>	
<b>Year-Round</b>	
SEO	8% - 10%
SEM/Paid Search	20% - 25%
Meta Search Marketing	10% - 12%
Dynamic Rate Marketing – Top Travel Networks	10% - 12%
Online Media & Retargeting (GDN)	10% - 12%
Reservation Recovery	5% - 6%
Email Marketing	4% - 5%
Social Media	2% - 4%
<b>Seasonal &amp; Business Needs</b>	
Multichannel Initiatives to Achieve Concrete Business Goals (seasonal or occupancy needs, etc.)	10% - 15%
<b>Direct Response Marketing Initiatives</b>	
Property Website Redesign & Content Management System (CMS) Upgrade (total cost amortized over 24 months)	8% - 10%
Interactive Marketing Applications	4% - 6%
Campaign Tracking & Website Analytics	2% - 3%
Cloud Hosting	2% - 3%
Website Revenue Optimization Consulting	8% - 10%

\*Based on a hypothetical digital marketing budget of \$150,000.



## About the Authors and HeBS Digital

**Max Starkov** is President & CEO and **Mariana Mechoso Safer** is SVP, Marketing at HeBS Digital, the hospitality industry's leading full-service digital marketing and technology, website design and website revenue optimization consulting firm ([www.HeBSDigital.com](http://www.HeBSDigital.com)).

HeBS Digital has pioneered many of the best practices in hospitality digital technology and marketing, and direct online channel best practices and strategies. The firm has won over 260 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, IAC Awards, and others.

A diverse client portfolio of hospitality clients: from restaurants to major hotel brands, luxury and boutique hotel chains, 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. Contact HeBS Digital's consultants at (212) 752-8186 or [success@hebsdigital.com](mailto:success@hebsdigital.com).

