

# TECHNO-MARKETING

## Vendors Enhancing Marketing Capabilities for Independents

Back in the late 1990s, hotel marketing for independent hotels meant printing a nice brochure and finding a good representation company to provide brand positioning and global reservation capability. With the onslaught of online travel agencies, travel search engines, new advertising models (SEM, SEO), growth of user-generated content, and most importantly e-mail, marketing options for independent hotels has grown significantly.

Capitalizing on this leveling of the playing field, several 'techno-marketing' vendors have emerged in the last few years building their business models around this new-found opportunity to help independent hotels become more marketing savvy, and support the growing concept of the hotel itself as the brand.

Digital Alchemy, in operation since 2001, has quickly established a 200-strong client roster around a suite of e-mail products that link directly from a hotel's PMS database to build an ongoing marketing relationship with guests through all stages of the guest experience. Their e-relationship package delivers a confirmation e-mail, a pre-arrival marketing e-mail, and a post-stay thank you e-mail linked to an online comment card. The e-mail reservation confirmation provides the guest with the incentive to both provide their e-mail address to the hotel and to authorize their spam filter to allow it into their in-box. This results in all subsequent e-mails from pre-arrival marketing to post-stay invitations to be accepted as well, ensuring extremely high delivery and open rates.

Going one step further on the relationship theme, their VIP concierge service allows hotels to ask guest preferences in advance to tailor their stay. Hotels like the Nickelodeon Hotel in Orlando customize the entire contents of the family's minibar, while guest preferences on newspapers, leisure, dining and entertainment activities are also commonly captured. Armed with this information, pre-arrival mar-

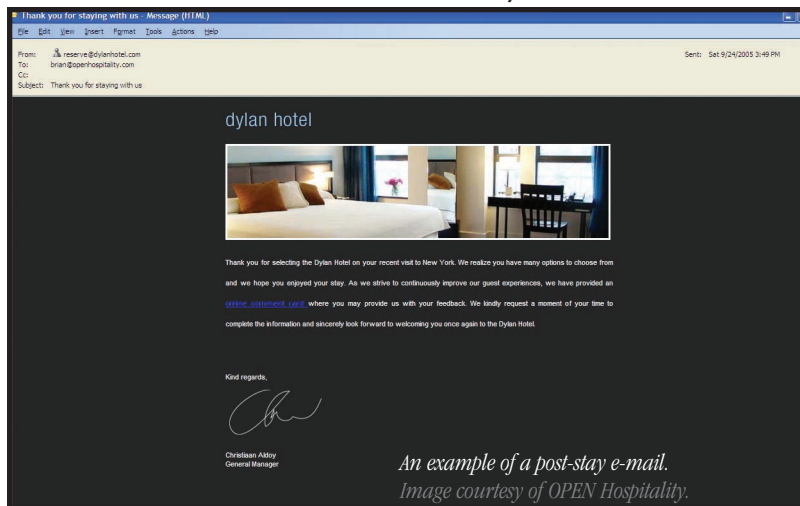
keting yields significantly higher response rates, happy guests and a revenue stream to the hotel. One hotel interviewed for this article claims to generate \$34,000 a month from pre-arrival marketing. Reservations for spa treatments, tee times for golf and pre-purchase water craft rentals are just some of the services independent resorts are selling to guests before they arrive.

In recognizing that the entire travel experience can affect the hotel brand perception, hotels like the National and the Palms in Miami Beach are marketing transportation services to the hotel, and offering new services such as pre-arrival shopping for groceries. In doing so they increase revenue, differentiate themselves from their competition and create a word of mouth buzz that permeates across the Web—in short, successful modern techno-marketing. In a sign of how far individual hotel marketing has come, look no further than a "bounce back" program offered by The Shores Resort and Spa on Daytona Beach, providing guests a discount if they return within 30 days, a successful marketing practice of several well known theme parks and attractions.

Priding itself as an e-mail marketing specialist Digital Alchemy's Managing Director Don Hay said, "We have an open rate in excess of 70 percent on our pre-arrival e-mail marketing, and through our connectivity to a hotel's PMS we are able to provide detailed tracking of guests' purchase activity as a result of each e-mail campaign."

Patent pending new algorithms are being

By Martin Thomas



RESERVATION	
Confirmation Number	13765LD
Guest Name	Thomas Robbins
Arrival Date	Tuesday, October 24, 2006
Departure Date	Friday, June 27, 2006
Room Type	Bayview 1 King Bed
First Night's Rate	\$195.00 USD
<a href="#">Click Here</a> to upgrade to our Club Level for an additional <b>\$35.00</b>	
POLICIES	
Check-in time	3:00 pm
Check-out time *	12:00 pm
Hotel Fee	\$11.77 per room per night

*The Palms*

*An example of pre-arrival marketing.  
Image courtesy of Digital Alchemy.*

used by Digital Alchemy to enhance open rates even further through more precise targeting of guest activity with regard to how and when guests open their e-mails.

Another emerging pre-arrival marketing solution tackles the age old issue of what to do with the daily unsold, unused inventory. While the common practices of free upgrades and comp rooms to key guests and demand influencers enhance the guest experience—none of these practices address the serious issue of the lost revenue opportunity. Tailored to match the brand identity of each hotel, the Nor 1 Upgrade solution provides an upgrade solution to enhance guest experience, but more importantly, these days provides a previously untapped revenue stream to the hotel. Successfully piloted with chains in Europe and America over the last 18 months, Nor 1 is now preparing for growth to the independent hotel market. The greater the availability of superior rooms to upgrade to the greater the revenue potential.

Nor 1's Upgrade solution helps hotels realize financial value from unsold inventory. It targets existing completed reservations pre-arrival at the property, with a unique upgrade opportunity whose availability is determined at the time of check in. Guests can be exposed to the offer through multiple channels, including e-mail confirmations. Offering multiple upgrade opportunities provides hotels with a valuable source of data on pricing and

**Hotels with 200+ rooms with 25 percent of inventory in superior rooms and annualized occupancy less than 80 percent take note.**

demand patterns to maximize revenue potential and yield manage these upgrade options. Through this upgrade solution, hotels maintain their price integrity and distribution strategies, but now also leverage how much a guest is willing to pay for an upgrade if one is available. In the proverbial 'win-win' situation, guests enjoy the benefits of superior views, amenities, and suites, and hotels gain a revenue stream for an unsold room which they are in direct control of allocating on any given day.

Independent hotels often know exactly the type of techno-marketing solutions needed to augment their current reservation and distribution platforms, but managing multiple vendor relationships can be problematic for independent hotels' staff members who often wear many hats. Offering a more comprehensive range of solutions to balance this challenge is OPEN Hospitality. OPEN (One Partner Every Need™) provides independent hotels with a comprehensive set of complementary solutions, including Web site design and hosting, search engine optimization and e-marketing strategies built around a robust reservation platform which can either be managed as a standalone CRS, through Pegasus' Netrez by Utell or the Hotelfactory by Unirez CRS. The integrated nature of its offering allows hotels to package rooms alongside other hotel

amenities, transfers or theater tickets in accordance with guest preferences derived from its integration with OPEN's CRM analysis and PMS data mining capabilities through its guest management system.

In the area of customer service, OPEN offers a post-stay e-mail program (sample shown on previous page) that has significantly increased guest response levels from the traditional in-room guest comment cards. In the era of user-generated content and word of mouth marketing, guests are providing feedback which instantly triggers e-mail notification to the general manager or the director of sales. All feedback is stored, and if positive can be used on hotel Web sites, if negative the hotel can immediately track the guest's reservation back through the integrated CRS, pinpoint the problem and resolve it accordingly.

It is far easier and cheaper to keep an existing customer, than to constantly find new ones. This marketing adage is certainly a lesson being adopted through these new techno-marketing providers. Whether they are individual specialists targeting specific e-mail or upgrade services, or a provider of an integrated network of solutions, today's techno-marketing vendors are playing a major part in helping independent hotels become more marketing savvy. Hotels still need a good looking brochure and a global representation company, but vendors like those mentioned here are providing the opportunities for properties to differentiate themselves as brand builders and experts in customer retention.

*Martin Thomas is president of MJT Consulting and an independent consultant to the hotel industry. He has both supplier and vendor experience including roles with Summit Hotels & Resorts, Golden Tulip Worldwide and Cendant's TravelPort. He can be reached at [mjtconsulting@hotmail.com](mailto:mjtconsulting@hotmail.com).*

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