



The vanity website – the only incremental revenue driver

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Today's hotel website has become the main revenue driver that carries the burden and responsibility of generating the bulk of bookings for the property. The hotel website is the first, in many cases the only, and unfortunately for many hoteliers - the last point of contact with the travel consumer. The property website is the backbone of the hotel multi-channel marketing mix and the main "engagement tool" with today's hyper-interactive travel consumer.

Even in these unfavorable economic conditions, the online channel has been the only growth channel in hospitality. Last year, direct Internet bookings (i.e. via the brand website) for the top 30 hotel brands increased by 6.6% and reached 38.43% of total CRS bookings, while GDS and Voice Channels decreased by 3.7% and 2.9% and shrunk to 23.6% and 22.2% respectively (eTRAK, HeBS).

Outside of the Online Travel Agencies (OTAs) and bookings via the brand.com website, the property vanity website provides the franchisees with the only viable opportunity to generate incremental revenues today.

With the indirect online channel (OTAs) draining the industry by as much as \$5.4 billion in the form of abnormally high merchant commissions this year alone (HeBS), the Direct Online Channel (i.e. the property vanity website) is the only growth channel available to any franchisee. It is by far the most cost-effective distribution channel and provides hoteliers with excellent ROIs, immediate results, and long-term competitive advantages. A recent analysis by HeBS showed that in average the cost per booking via the OTAs is in average 10 times higher than via the property own vanity website.

This is the reason why many hotel brands allow and even encourage their franchisees to launch property vanity websites. Almost all hotel chains have specific guidelines regarding these vanity property websites.

What are the vanity website's main objectives?

For the franchisee, a vanity website's main objective is to provide incremental revenues to what the brand.com website can provide. It does this by:

Creating deep and relevant content – at least 35-50 pages of fully optimized (for search engines) local content that can successfully compete against the OTA websites.

- Focusing on long-tail keyword terms to capture incremental traffic and bookings.
- Focusing on key market segments via deep relevant content and SEO: meeting planners, group planners, SMERF, weddings, social and special events.

A vanity website becomes the “main face” of the property on the Web as:

- The best and most accurate product/services descriptions.
- The best visual and rich media content about the property on the Web.
 - Visual galleries, virtual tours, videos
- The most potent customer engagement tool via Web 2.0 optimizations and functionality.
- The backbone of a multi-channel marketing strategy.
 - Facebook, Twitter, email, print, radio—all point to content/landing pages on the vanity website
- The best promotional tool for the property specials and offers.

When does a franchised hotel need a vanity website?

When and why would a franchised hotel need a vanity website? Here are some examples of when a franchisee would need to strongly consider a vanity website:

- The brand has many franchised properties in the area.
- The property is newly opened and there are well-entrenched franchisees from the same brand in the area.
- The property is a full-service hotel and caters to a wide range of customer segments and offers a variety of services and amenities that may not be represented well on the brand website.

- The property caters to a unique audience and/or key customer segment that are atypical to the major brand (e.g. when the target market is leisure travelers but the brand is perceived as primarily business travel oriented; or corporate groups and meetings if the brand is primarily leisure oriented, etc.)
- The property offers a variety of amenities and services that are atypical of the major brand (e.g. the property offers extensive property meeting and conference facilities but the brand is perceived as a leisure travel brand, etc.)
- The property is located in a resort/vacation area with plenty of activities and attractions requiring extensive descriptions, area photography, and packages that cannot be accommodated or described within the framework of the existing property mini-site on the brand website.
- The property is closely associated with a local attraction, military base, university, theme park, or any other type of "local entity" that generates a significant share of the business and this association requires a very unique description of the property, its services and amenities, and the relationship with the local entity that cannot be accommodated/described within the framework of the brand website.

If the franchisee decides to go with a vanity website, franchised hoteliers should keep these two important considerations in mind:

1. Do not duplicate content: The property independent website must feature textual content that is significantly different from the property mini-site on the hotel brand website. Search engines consider duplicate content (similar content under two different URLs) as SPAM, and both the independent and the property mini-site can suffer as a result by being banned by the search engines. In other words, the franchised hotel has to develop new content for the property stand-alone website—either in-house or by hiring an outside copywriter.
2. Launching a vanity property website is only the first step in developing a robust Internet marketing presence. Once the site is live, the property should be prepared to market its vanity website, otherwise this would have been a wasted effort and resources.

If all of this is taken into account, under the right conditions and with the proper Internet marketing strategy, a vanity property website may reap significant rewards for the franchised hotel. Many of our franchised hotel clients have enjoyed significant online revenues from their independent property websites. If developed as per industry's best practices, the franchisee vanity website should generate at least the same amount of revenue as the major brand site generates for the property.

The following case study is one of these success stories.

Case Study

Situation:

- Vanity website of a full-service franchised hotel in California, launched in 2003
- Ongoing, (at least twice a year) textual and visual website optimizations
- Comprehensive direct Internet marketing strategy, including SEO, SEM, local search, email marketing, online sponsorships, strategic linking, social media, mobile marketing

Results:

- Each year since launch, the property vanity website has generated more online revenues than the brand website's contribution to the property.
- Incremental revenues: our research shows that at least 75% of these revenues are incremental (i.e. would have not occurred without the property vanity website).

How often should the franchisee re-design/re-optimize the vanity website?

Franchised hoteliers must realize that the vanity hotel website has become not only one of the main revenue driver for their property (together with the brand website), but also the main influencer for making travel purchase decisions and the main hub for customer engagements in today's multi-channel interactive environment. Therefore, enhancing and optimizing the vanity hotel website to meet and exceed industry best practices and customer expectations should be a top priority for any franchised hotelier.

Here are some important considerations:

If your hotel vanity website is over two years old:

- So many things happened over the past 24 months that hoteliers no longer have a choice of whether to re-design their website or stick with their old and tired site. This is a matter of "life and death" for any hotelier. A website re-design is a must and should be considered in Q4 of 2010, or at least budgeted for early 2011.
- The new website should reflect 2010-2011 industry's best practices for an optimum revenue-generating website. It should be user-friendly, search engine-friendly, travel booker-friendly, and Web 2.0-friendly (customer engagement-friendly).
- A website re-design is typically a 90-120 day project; plan accordingly.
- Return-on-Investment (ROI): our experience shows that any website optimizations, enhancements or re-designs pay for themselves within 3-4 months. Many case studies clearly show the cost effectiveness and excellent ROI from the website re-design.

If the site is over 12 months old:

- Search engine optimization (SEO) is now due in order to take full advantage of the much cheaper organic search related visitors to your site.
- Web 2.0 optimization is now due to improve customer engagement on the site.
- Website content (both textual and visual) enhancements are now due to freshen up your site.
- Customer segmentation optimization is now due to fully address all key customer segments, from meeting and group planners, to corporate and leisure travelers, social event planners and family travel planners.

Conclusion

For the franchisee, a vanity website's main objective is to provide incremental revenues to what the brand.com website provides. The property vanity website, if developed according to industry's best practices, can generate significant incremental revenues and pays for itself in a matter of months. The franchisee's search for incremental revenues must include the consideration of developing a property vanity website.

The vanity website should become not only one of the main revenue generators for the property, but also the main influencer for making travel purchase decisions, and serve as the main hub for customer engagement in today's interactive environment. Enhancing, optimizing and re-designing the hotel vanity website to meet and exceed industry best practices and customer expectations should be a top priority for any franchised hotelier.