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Hotelier's 2012 Mobile Marketing MUST Dos and Don'ts

| By Max Starkov & Michelle Renn

Max Starkov, HeBS Digital's President and CEO, was interviewed recently by Michelle Renn, Managing Editor of "Inside Hotel Online Today (Hotel Online)" on this year's hottest topic: mobile marketing and mobile distribution channel in hospitality.

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Michelle Renn: The mobile channel as a legitimate distribution source for hospitality is currently exploding. How does it differ from social media as a distribution channel?

Max Starkov:

For over 5 years now I have been arguing that social media is not a distribution channel in hospitality. Social media is a customer engagement channel and a customer service channel. It is an important component of any hotel's marketing mix and part of the comprehensive direct online channel strategy for any hotel company.

The mobile channel is a legitimate hotel distribution channel. In 2011 alone, 2.4 percent of all U.S. online travel bookings (\$2.6 billion) were made via the mobile Web. This is at least 100 times more than all travel bookings ever made from social media worldwide.

In 2011 over 4.7 percent of hotel website visits and over 3 percent of online bookings came from mobile devices across HeBS Digital's hotel client portfolio. Recently IHG reported that in 2011 the brand generated \$148 million in mobile bookings, ten times more than in 2010.

Just look at the staggering projections in growth rates of U.S. Mobile Travel Bookings (leisure and unmanaged business travel):

- 2010: \$160 million
- 2011: \$2.6 billion (2.4% of total online travel bookings)
- 2013: \$8.0 billion (6.5% of total online travel bookings)

(PhoCusWright)

The mobile channel is exploding, indeed. Morgan Stanley projects that by 2014 mobile web users will surpass "traditional" desktop Internet users. Google reports that hotel mobile searches have increased by 3,000 percent from 2010 to 2011 and that now over 20 percent of all searches are conducted via mobile devices.

Hotel guests and travel consumers in general are already mobile-ready, and hoteliers and travel suppliers have to respond adequately to this growing demand for mobile travel services.

The most important statistic hoteliers need to follow is the number of smartphone users and tablet users. Fifty percent of U.S. adults and eighty percent of business travelers already have smartphones. Heavy usage of tablets like iPad has created a completely new category, which needs to be treated and marketed to separately from desktop and mobile devices. Overall, smartphones and tablets are changing how we do business in hospitality, how we market, how we service customers.

Michelle Renn: We have seen that all major hotel brands and OTAs have come up with flashy mobile websites and mobile apps for iPhone and Android mobile devices. What should independent hoteliers and franchisees do in 2012 to take advantage of the mobile channel? What are the 2012 Must Dos?

Max Starkov:

Hoteliers are realizing the importance of the mobile web. According to HeBS Digital's 5th Annual Benchmark Survey on Hotel Digital Marketing Budget Planning and Best Practices, more hoteliers are planning for a mobile site this year (37.5% vs. 25.9%) and a mobile booking engine (37% vs. 22.4%). Also of note, only 8.9 percent of hoteliers are budgeting for a mobile app vs. 24.1 percent last year.

Here are my 2012 Mobile Must-Dos, applicable to any independent or full-service franchised property, boutique and luxury hotels and resorts:

Property Mobile Website

In 2011, over 85.1 percent of desktop Internet users had a screen resolution of 1280 x 1024 pixels or higher. Trying to squeeze your wide-screen "desktop" hotel website onto the tiny screen of a mobile device is a futile exercise that inevitably destroys usability and conversion rates. Our analysis shows that more than 90 percent of mobile users access the hotel website via mobile devices with screen sizes of the iPhone is 320 pixels wide by 480 pixels high. Accessing a "conventional" website via a mobile device, even the latest iPhone (320 x 480 pixels), often results in an undesirable user experience: the inability to find information needed, and a predictable outcome of abandoned websites and reservations.

The question whether a property needs a mobile website has already been categorically answered: mobile sites generate serious incremental bookings. In 2012 hoteliers need to optimize their mobile websites with richer visual and textual content (minimum 10-15 mobile pages) that is "fresh and intriguing." This content needs to be optimized for mobile SEO. Enhance the mobile site with a mobile booking engine, GPS capabilities, "What's Nearby" walking tours and a local travel guide functionality.

The mobile site content, especially special offers and events, must be synchronized with the desktop website. HeBS Digital's CMS Premium (Content Management System) provides this functionality in an automated fashion.

Track performance and conversions from the mobile website via web analytics (e.g. Adobe Omniture) and call analytics. Remember that approximately 6-7 of every 10 mobile bookings still happen via voice reservations from the mobile site.

Mobile SEM

Mobile search engine marketing works! Launch mobile paid search (SEM) campaigns via Google AdWords and Bing/Yahoo that link to special mobile landing pages on your mobile website with the latest promotions, offers and packages.

Your mobile SEM campaigns must feature mobile-specific ad copy and ad extensions. Manage separate ads for tablets and mobile devices, and track their performance and conversions separately.

Always maintain rate parity in your mobile campaigns!

Local Content = Mobile Content

Consumers perform more than 3 billion local searches every month, and one in three mobile searches have local intent versus one in five desktop searches (Google). Local content has become the foundation of mobile content for the search engines, making it extremely important to any hotelier's mobile SEO strategy.

Local search and directory listings are extremely important for travelers in the same state or neighboring states during the research, planning and booking phases. Google, followed by Bing and Yahoo, have turned their local search business profiles from "list and forget" listings to business profiles that require ongoing management and enhancement. Google's top priority over the past three years has been to compile the deepest and most relevant local content on Planet Earth, which automatically translates into the deepest and most relevant mobile content. Google Places has expanded its content tenfold since June 2010! Google Places Coupon provides an additional benefit: it helps the mobile search ranking for the property as well.

In 2012, optimizing and enhancing the property's local search listings on the top 3 search engines (Google, Yahoo, Bing), as well as on the main data providers (e.g. Acxiom), online Yellow Pages and local

business and leisure directories must become a top priority for hoteliers from independent or branded properties alike.

Align Mobile Website's Official and Unofficial Content

The line between mobile and social is blurring: most social network engagements by travel consumers are done via mobile device. In 2012 hoteliers will be hearing a lot of the buzzword SoLoMo (SOcial, LOcal, MObile). Meant to convey the convergence of these three major media, the term SoLoMo describes a match made in heaven between the three content and marketing platforms.

What does it mean for hoteliers? Hotel guests are avid SoLoMo service users, which requires hoteliers to align the property's mobile site content with the social media content and customer feedback from customer review sites. It is that simple: the bigger the discrepancy between the "official" content on the mobile site and the "unofficial" content about the hotel on social media sites, the less the credibility of the property mobile site. Less credibility results in less bookings and revenue.

This content alignment could be as simple as removing "luxury" from the description of your rooms, if users are openly questioning the luxury aspect of your accommodations, or removing "award-winning" from the description of your restaurant if it has generated a lot of negative reviews on Yelp.com.

Mobile Marketing & Customer Engagement

Mobile marketing has already become an integral part in the property's multi-channel digital marketing efforts. Its role has been growing exponentially over the past years. Having a mobile site is only the beginning of mobile marketing. In 2012, from their overall digital marketing budget, hotels should spend 9 to 10 percent on mobile marketing initiatives.

Here are the top mobile marketing initiatives hoteliers should focus on in 2012:

- Continued mobile website enhancements
- Mobile SEO
- Mobile link building to the mobile site from mobile directories and sites
- Mobile SEM (paid search) campaigns
- Mobile banner advertising in the main mobile feeder markets
- Mobile contests and sweepstakes

In 2012 hoteliers must become fluent in SMS marketing as a customer engagement medium. SMS is not email marketing and hoteliers should not be blasting text messages left and right. In other words, no "push" marketing campaigns! SMS marketing is best used as an optional "pull" campaign, where customers text a keyword to a short code to interact with the hotel to participate in mobile interactive contests, sweepstakes, specials & promotions, or to request real-time customer service.

Consider seeking advice from a leading mobile marketing and full-service hotel digital marketing firm to actively help you take advantage of the mobile channel one step at a time. Learn which mobile marketing formats make the most sense for your hotel and how to implement latest trends and best practices in your mobile marketing efforts so you can realize respectable ROI and incremental revenue growth.

Michelle Renn: These are all very practical recommendations. What are the 2012 Don'ts?

Max Starkov:

Don't Discount in the Mobile Channel!

In this hyper-connected social and mobile world, the booking window has shrunk tremendously over the past few years and travel consumers have embraced the mobile Web as a legitimate booking channel:

- Typically, mobile bookings are for the next 48 hours (Google).
- Many major hotel brands report that 80% or more of their mobile bookings are for the same or the following day.
- Sixty-one percent of online consumers are willing to book travel via a mobile device (Google, September 2011).

In other words, people are booking closer and closer to the day of the actual arrival, meaning that it is easier for them to wait until the last minute and see what the last-minute rates are on the hotel mobile site, on an OTA site or on a last minute discount site such as HotelTonight.com, as opposed to booking in advance via the hotel desktop or mobile sites.

In the age of social and mobile word of mouth, it will not take long for all regular and frequent guests at your hotel to hear about the lower last-minute rates offered via an OTA or a service like HotelTonight.com. What will be the result? The hotel will soon witness that:

- Booked guests are canceling existing reservations made via hotel website, phone, GDS, OTAs and re-booking via HotelTonight.com using the lower rates.
- Potential guests are waiting until the last minute to see what the last-minute rates are for the property and other hotels in the city/location they are traveling to and booking in the last minute.
- OTAs are after the hotel for these last-minute "deviations" from the contracted rate parity clauses.

The mobile channel is a last-minute distribution channel by default. Most hotel mobile bookings are for the same (65%-80%) or the following night. If hoteliers do all of the Must-Dos in 2012 as described above, these bookings would happen anyway without discounting.

Hoteliers need to maintain rate parity at all times.

You Don't Need a Mobile App

Here at HeBS Digital we are constantly being asked by our hotel clients whether it makes sense for a hotel to develop its own mobile app or if the hotel should focus on their mobile website. From the HeBS Digital's 5th Annual Benchmark Survey results, we can see that fewer hoteliers were planning for an iPhone app last year: 8.9 percent versus 24.1 percent in 2010.

In my view, hotels do not need a mobile app if they are a single-property, an independent hotel or resort, a franchised property, or a smaller and mid-size hotel chain and multi-property company. These hotel companies are better off focusing on building and enhancing their mobile websites and promoting the mobile site via mobile marketing initiatives, and here is why:

- Vast majority of users (90.15%) prefer mobile browsing vs. mobile apps (CEM4Mobile Analytics)
- Apps are very expensive to build, maintain, and promote
- Apps are device specific
- Not indexable by the search engines!

The Mobile App Check has identified the most popular mobile apps and how they are used in the United States. Excluding Google Maps, Weather.com and web search apps, the rest of the Top 10 apps were in the social media, entertainment and gaming realms. Not even a single travel app made it into the Top 10 list. Where is Expedia's app? Hilton's app? American Airlines' app? A hotel company, be it an

independent or franchised hotel or resort, a small chain or multi-property company, has no chance of creating an app that can squeeze through the mobile app clutter and find its way to the mobile user's smartphone.

About the Author and HeBS Digital

Max Starkov is President & CEO of HeBS Digital (Hospitality eBusiness Strategies), the hospitality industry's leading full-service digital marketing and direct online channel strategy firm, based in New York City (www.HeBSDigital.com).

HeBS Digital has pioneered many of the best practices in hotel Internet marketing, social and mobile marketing, and direct online channel distribution. The firm has won more than 180 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, etc.

A diverse client portfolio of top-tier major hotel brands, luxury and boutique hotel brands, 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.