



## Top Ten Search Engine Marketing Dos and Don'ts in 2012

| By Tara Rattigan and Toby Tornay

### **In 2012, the Search Engines Still Rule Hotel Distribution**

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In 2012, a time focused on new distribution channels, social, local, mobile, and the ever-changing digital marketplace, hoteliers must still remember that the tried and trusted search engines are still the key driver of direct online hotel distribution. Across the HeBS Digital portfolio in 2011, 58% of all traffic, 48% of bookings and 47% of all online revenue came directly from the top three search engines. From boutiques to brands, resorts to franchises, search engine contribution maintains the strongest share of hotel website traffic and revenue.

Case Study: 2011 Search Engine Contribution of HeBS Digital Clients:

Property	Traffic	Bookings	Revenue
Franchise Hotel in California	15.93%	28.32%	23.53%
Resort and Casino in Nevada	54.02%	53.17%	55.87%
Boutique Hotel Brand in CA	58.60%	47.44%	45.78%
Brand Hotel in Florida	66.26%	42.51%	49.51%
Brand Hotel in PA	61.88%	37.79%	36.14%
Luxury Beach Resort in the FL Keys	59.19%	58.88%	59.00%
Independent Property in HI	41.62%	60.34%	57.25%

With the search engines maintaining such an important role in the direct online channel, Search Engine Marketing (SEM) continues to be the most efficient means of delivering a targeted marketing message via the online channel, in terms of both traffic generation and revenue production. Revenue from Internet Advertising increased 23.2% in Q1 and Q2 of 2011 compared to 2010, setting a new record at \$14.9 billion. Search Engine Marketing advertising increased by 27% during this period and constituted 49% of the total online marketing revenue compared with 47.5% in 2010.

Across the HeBS Digital portfolio for 2011, the conversion rates from SEM visits were 24% higher than the conversion rate for the hotel websites overall, indicating SEM visits are actually more efficient at generating reservations because of our ability to customize keywords and ad copy to cater to specific customer segments. SEM has proven extremely effective as an online marketing tool, making it highly important to keep campaigns up-to-date with the most sophisticated marketing strategies and best practices to ensure they maintain a high level of productivity.

HeBS Digital has developed 10 SEM Dos and Don'ts to ensure your SEM campaigns are running at peak performance for 2012.

### 2012 SEM Dos:

1. **Optimize Your SEM Campaigns on a Regular Basis:** Changes may occur in the hotel's marketing strategy throughout the course of the year, so it is necessary to periodically evaluate whether your SEM campaigns are consistent with the property's current marketing objectives. Important elements to consider are:

- a. Leisure travelers versus business travelers
- b. Weekend stays versus weekday stays
- c. Specials/promotions
- d. Average length of stay
- e. Shift in the Average Daily Rate (ADR)

If there are changes in the overall marketing strategy, the SEM campaigns must reflect those marketing shifts. Campaigns, keywords, and ad copy need to be updated to reflect the evolution of the property's marketing endeavors.

2. **Audit Your Feeder Markets:** As the economy grows and changes over time, new feeder markets may develop for individual properties, and old feeder markets may wane in importance to your property. It will be vital to perform a Feeder Market Audit to evaluate if the geographic markets that are being targeted by the SEM campaigns are consistent with the traffic of the overall websites. If there are any discrepancies, the SEM campaigns' geographic settings must be altered to best take advantage of the shift in the markets that are converting for your site.
3. **Perform a Budget/Impression Share Audit:** As marketing efforts increase the amount of traffic to your website, it will be necessary to evaluate if your current budget is large enough to capture a competitive portion of the impression share. In order to continue to bring new users to the website, budgets must accommodate the organic year-over-year increase in the cost per click (CPC) in the bidding module, as the SEM world becomes more competitive. You must evaluate how much your SEM budget should be increased to maintain a comparable or larger impression share than you held the previous year.
4. **Get International Exposure:** As the global economy continues to grow, it will be important for hotels to explore potential new markets to expand their business. Setting up international SEM campaigns can be tricky, but there is usually less competition in foreign markets, which will decrease the cost per booking. Targeting English speaking foreign countries like Canada, the United Kingdom, and Australia can make the setup and testing process fairly simple. Marketing messages can be tailored to attract inbound non-American English-speaking travelers with specials and promotions to help offset the lower conversion rate associated with long-distance travelers.

Non-English-speaking markets can be much more complicated. Not only does the ad copy and keyword list need to be translated and transposed to accommodate for the nuances of each language (e.g. Mexican Spanish vs. Argentinian Spanish), but the landing pages must be in that language in order for SEM to be an effective marketing tool. It is very important to research the foreign markets that could potentially generate inbound traffic to your destination and your hotel in order to capture the most qualified traffic.

5. **Launch SEM Tablet Campaigns:** The exploding usage of tablets like the iPad has created a completely new "tablet" category, which needs to be treated differently and marketed to separately from desktop and mobile devices. Tablet searches represent a hybrid between a mobile search experience and a desktop user website. Until 2011, tablet searches were indistinguishable from Mobile searches, but in 2012, Google bestowed the ability to market to tablet searches separately. This allows advertisers to better optimize their results since mobile campaigns and tablet campaigns can have vastly different user experiences and expectations. *Example: Mobile searches typically land on the mobile website, while tablet searches end up on the property's desktop website or a specially optimized tablet site. By creating separate campaigns, you will be able to better optimize results for mobile and tablet campaigns.*
6. **Tailor SEM Ad Text According to Device:** Since search is being divided into different categories (Desktop, Mobile & Tablet), it will be important to write the ad copy with the targeted device in mind. A smart phone user will be more likely to interact with an ad that recognizes the type of device that the user is employing (e.g. iPhone vs. Android) and promises a continuation of that experience. For example, someone using a smart phone is more likely to click on your ad if the ad explicitly denotes it will take the user to a mobile smart phone page rather than a full desktop site, which is less usable on a mobile browser.
7. **Add Google+ Extension:** Google+ has recently been extended beyond individual registrations to business pages. These Google+ Business Pages will allow you to build a following similar to

Facebook on the Google network for your hotel. You are now able to connect your Google+ Business Page for your property to your Adwords account. Anyone who +1's the site, the Google+ Business Page, or the ad will appear listed as an extension in the ad along with the total number of +1's the account has received. This free new feature could potentially give your ads an advantage over those of your competitors.

8. **Use Google Phone Tracking:** Google now includes call metrics in its Ad Rank calculations. Advertisers will now be able to choose a bid-per-call option that allows them to bid for phone calls (in addition to clicks) when they create Google search ads for computers and tablets. The click-to-call feature assigns a unique phone number to businesses to make call tracking possible. Google has already connected more than 12 million calls for thousands of businesses. The bid and the call volume will factor into an advertiser's Ad Rank and will impact the position of the online ads. Google has found many businesses value phone calls highly and treat them as leads. The idea behind this new addition to the equation: If an advertiser gets a high volume of phone calls and they bid for the calls, those calls will improve their ad rank and quality score. In this way, advertisers can now tie an offline action to an online advertising search through Google.
9. **Perform a SEM Conversion Funnel Analysis:** In 2012, analyzing the four-step path from impressions to conversion will become instrumental in the SEM optimization effort. By adding click-to-booking initiated rate and booking initiated-to-booking rate, in addition to the click through rate and conversion rate, you will get a better understanding of the complete booking process, and where your SEM campaigns and landing pages need improvement.
10. **Implement Ongoing SEM vs. Total Website Analysis:** Comparing the SEM conversion funnel to the Total Website conversion funnel is an interesting way to analyze how effective marketing campaigns are at converting traffic. This will allow you to compare the performance of the SEM campaigns versus the overall website while taking into account extraneous factors such as seasonality and revenue per booking. This analysis will help explain fluctuations due to seasonality, and allow you to adjust budget allocations accordingly to take advantage of low and high seasons throughout the course of the year and make the best use of your marketing funds.

#### 2012 SEM Don'ts:

As helpful as SEM campaigns can be, it is important to avoid making common mistakes that can marginalize your efforts and result in lower ROAS. The following 10 SEM Don'ts are frequently encountered and easily avoidable – keep these tips in mind to make the most of your SEM budget.

1. **Don't Chase the Highest Possible Impression Share Without Considering Profitability:** It's easy to use your impression share metrics as a black-and-white barometer of campaign success, but that approach is shortsighted and fails to recognize the true goal of any digital marketing effort: profitability. While gauging impression share is important, you want to make sure your ads are generating revenue above all else. Even if your ad is appearing for every single relevant search, it needs to lead to conversions to be effective.
2. **Don't Take Weddings, Events & Meetings Campaigns into Consideration When Evaluating Total ROAS:** To get a more vivid picture of the effectiveness of your SEM efforts, break down the numbers to isolate weddings and meetings campaigns. Then take a look at your overall ROAS without these weddings and meetings numbers to get a better feel for how your SEM campaigns are performing.
3. **Don't Forget That Different Campaigns Have Different Goals:** It's important to keep in mind that different varieties of SEM campaigns come with different goals and sets of expectations. For instance, when setting up an SEM campaign for transients, you are looking to generate

online bookings. Wedding- and meeting-related campaigns ideally lead to RFP form submissions. Restaurant SEM ads should lead to clicks on the menu, phone calls to the restaurant, online reservations, and online leads for events. Mobile campaigns should lead to reservations made via phone call. It is important to adjust your initial expectations of every campaign depending on what realistic end goal you have.

4. **Don't Create a Budget without Accounting for Seasonality and Demand:** Remember that no two months are alike when setting SEM budgets. Different travel regions and different varieties of hotel have different high and low seasons. Good examples are beach and ski resorts, family travel destinations, etc. Your SEM budget should be adjusted to reflect not only seasonality, but also travel planning patterns and booking windows i.e. how well in advance your property is typically booked. Don't waste your budget chasing a high impression share – save your budget for the months that matter. You can use the Google Insights for Search tool to see in which months potential guests are searching for your keyword targets most often.
5. **Don't Direct SEM Ads to Unrelated Landing Pages:** Your SEM ad might be beautifully written and contain a rewarding new special that would interest 100 percent of potential guests. But if it doesn't lead to a landing page that features content related to the keywords in the ad group, you won't see those clicks convert into bookings. It is recommended that you point SEM ads to specific special offer landing pages with optimized copy instead of calendars or less relevant pages.
6. **Don't Write Ads without Including a Lead Rate or Special Offer:** A SEM ad without a numeric lead rate or a description of a special offer is not nearly as effective as one that clearly broadcasts the benefit the potential guest will receive by clicking the ad. Searchers will be much more likely to click an ad boasting "Weekend Rates From \$199" or "\$50 Gift Card Giveaway" than "Hit the Ski Slopes This Winter" or "Come Enjoy Summer Fun in the Sun." Including prices in campaigns also pre-qualifies visitors, bringing guests that are more likely to convert and not waste a click.
7. **Don't Create SEM Campaigns for Keywords without Volume:** Google will only approve ads that target keywords with search volume, meaning you need to do some research to find keywords that are both relevant and commonly searched. Oftentimes this means expanding the geographic target from a neighborhood to a city or a small town to a region, or just pursuing a more intuitive keyword term at the expense of specifically matching your keyword and content.
8. **Don't Forget to Create Mobile-Specific Campaigns:** Cater to on-the-go searchers by running mobile-specific SEM campaigns that direct users to the mobile-ready version of the website. The vast majority of mobile websites will have a "View Full Website" link for those inclined to access the site's full functionality. You can make the most of your mobile clicks by sending users to an easy-to-navigate, mobile-ready site instead of a larger full site.
9. **Don't Gauge ROAS Success by Comparing Consecutive Months:** A month-over-month decrease in SEM ROAS is not necessarily a negative sign. Hospitality is seasonal by default. The numbers need to be placed in the correct context in order to interpret them properly. Instead of comparing March 2012 ROAS to April 2012 ROAS, take a look at the historical performance of the hotel's campaigns, going back to April 2011 or April 2010 to get a more demand-neutral glimpse of your campaign's effectiveness. Compare high-demand months and seasons to those of past years and low-search periods to past terms to paint a clearer picture of your campaign's productivity. Also, remember to compare ad spend and CPC.
10. **Don't Create Retargeting Campaigns for Pages with Low Traffic:** In order for your retargeting campaign to start running, the page the ad links to needs to collect 500-plus visitors. If you

create a retargeting campaign for a seldom-visited existing page or a brand new page about a special offer or event, it might take a while for it to be approved and begin running. Instead, run a retargeting campaign pointed to a popular page like the Home page or the Accommodations page and place a banner for the special you want to promote on those pages.

## **Conclusion**

SEM, which has been around since 1997, is still the king of digital marketing and one of the most potent marketing tools in the direct online channel. In this dynamic digital landscape, it is important to stay on top of quickly moving SEM trends, prioritize initiatives that generate more direct online bookings and be flexible enough to continuously adjust your SEM marketing campaigns for optimal, time-sensitive results.

Partner with SEM experts who will prioritize driving direct online revenues for your hotel, and who will keep you up-to-date on best practices and proactively bring forth ideas to generate the highest SEM revenues and ROIs. Work with a team of savvy SEM marketers who will show you new ways to recoup lost opportunities, teach you how to stay on top of changes in the industry, and provide your hotel and team with real value, not just a service.

## **About the Authors and HeBS Digital**

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Since 2001, HeBS Digital has pioneered many of the "best practices" in SEM and hotel digital marketing, social and mobile marketing, and direct online channel distribution. The firm specializes in helping hoteliers build their direct Internet marketing and distribution strategy, boost the hotel's Internet marketing presence, establish interactive relationships with their customers, and significantly increase direct online bookings and ROIs.

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 the hotel digital marketing and direct online channel expertise offered by HeBS Digital. Contact HeBS Digital consultants at (212) 752-8186 or [success@hebsdigital.com](mailto:success@hebsdigital.com).