

HeBSdigital

The Future is Now: The Emergence of The Customer Engagement Channel in Hospitality

| By Max Starkov and Mariana Mechoso Safer

Today's hotelier is faced with a big challenge: to capture and retain the attention of consumers who are constantly on-the-go and becoming increasingly aware of their control over the way they receive and interact with your marketing messages. Societal changes mean that today's consumer, otherwise known as the hyper-interactive travel consumer, is communicating 24/7 via social networks and mobile devices. This behavior is forcing a complete channel convergence, in which all marketing and distribution channels are combining into a single channel to engage the customer. This channel is called the Customer Engagement Channel.

The Customer Engagement Channel demands a completely new distribution and marketing approach in order to meet the demands of today's consumer. Consumers must be convinced that your channel is theirs and that they are in full control of the content they receive and consume. They must also feel control over if, when and how they engage with your brand.

Background:

What has caused the shift from traditional marketing to engagement marketing? Why do hotel brands need to shift their marketing messages from one-sided conversations (speaking to consumers) to engaging discussions (speaking with consumers)?

Over the past three years, a number of very important developments occurred that profoundly changed hotel marketing, content distribution and customer engagement in hospitality. What forces have combined to lead to the emergence of the Customer Engagement Channel?

- The Internet as the main travel planning tool and booking channel: in the US, 45% of all hotel reservations were booked online in 2010 (compare this to less than 15% via the GDS). In Q3 2010, Internet bookings for the top 30 hotel brands reached 56.9%, while GDS Travel Agent bookings contributed to only 19.6% and voice to 23.5% of total brand CRS bookings (eTRAK).
- The Hyper-Interactive Travel Consumer: this new breed of sophisticated, engaged and informed consumer has become the hotel's main customer.
- Social Media: engaging your customers via social marketing has become not only the norm, but the expected practice by past, current and future hotel guests.
- Mobile Web: the mobile channel has become a very important travel planning and transaction channel in the U.S. and worldwide.
- Channel Convergence: today's hyper-interactive travel consumer sees your marketing messages across a variety of different channels. Now more than ever, there is a convergence of new and traditional digital formats, interactive and offline marketing channels.
- Multi-Channel Marketing: some marketing initiatives, if judged on their own merits, generate disappointing ROIs. Many hoteliers struggle to justify returns from social and mobile marketing initiatives, which rarely produce significant ROIs as stand-alone marketing formats.

Engaging the New Hyper-Interactive Travel Consumer

Social Media and the Mobile Web have accelerated the hyper-interactivity of Internet users and travel consumers in general. Social media mean deep user engagement; content generation by users on a daily, if not hourly basis; multi-channel interactions; and opinion sharing. The Mobile Web takes this behavior to an entirely new level and enables it 24/7.

This new Hyper-Interactive Travel Consumer is:

- Hyper-connected: constantly connected to text, email, social networks, review sites and is an active user of location-based services. This is the multi-channel user.
- Hyperactive: has a short attention span and no tolerance for dull, non-engaging content and applications.

- Hyper-engaged: passionate, opinionated and loves sharing opinions/reviews.
- Hyper-informed: lives in the 24/7 mobile/social environment, in which there is a real “hunger” for fresh and engaging content.

Sound familiar? Many of us fall into this category. Hoteliers must align the interactivity of their digital marketing and hotel website with the hyper-interactive behavior of today’s travel consumer. This will increase interaction with visitors, engage website users, increase site stickiness, create lasting and interactive relationships, and ultimately increase bookings.

Multi-Channel Marketing is the New Norm

Today’s hyper-interactive travel consumers see your marketing messages across a variety of different channels. Now more than ever, there is a convergence of new and traditional digital formats, of interactive and offline marketing channels such as social media and print, hotel websites and social media initiatives, mobile and email, etc. Hoteliers need to reach future and current customers at multiple touch-points and understand that all of this activity will culminate on the hotel website.

The hotel website has become the main hub for content delivery and multi-channel customer engagement:



Some marketing initiatives, if judged on their own merits, generate disappointing ROIs. But unleashing a marketing promotional campaign simultaneously across all available marketing channels produces a compounded effect and far greater returns than each individual marketing format. In short, the whole is greater than the sum of its parts.

Case Study: Holiday Travel Sale for a Multi-Property Resort Company

Description: A multi-property resort company launched a multi-channel marketing campaign in conjunction with a scavenger hunt that counted down the days until the travel sale launched. The scavenger hunt required each entrant to become a fan on Facebook, follow the brand on Twitter, sign up for the email and mobile opt in lists, subscribe to the brand's YouTube Channel, and more.

Results: As a result of buzz-generating campaigns, the sale was a success from launch to completion.

- Dramatic increase in Facebook fans
- Increase in Twitter Followers
- Doubled the Mobile Text List Opt-Ins
- Thousands of YouTube Channel Views and New Email List Opt-Ins
- Revenue: \$200K

Marketing and Distribution Channel Convergence

The new hyper-interactive travel consumers, with their insatiable 24/7 need to share and respond to fresh, relevant information and experiences, have for better or worse blurred the boundaries between various distribution and marketing channels:

- TV/Radio + Online
- Offline + Online
- Offline + Mobile (e.g. QR Codes)
- Traditional Web + Social Media (e.g. cross-referrals from traditional websites, social media profiles and vice versa)
- Social Media + Mobile (e.g. social apps are the hottest apps on many mobile platforms)
- Mobile + Voice

Here are some sample channel convergences:

- Social Networking via Mobile Devices grew 90% to reach 30M YOY 04/09-04/10 (ComScore)
- Twitter: 46% of active Twitter users regularly use mobile devices to tweet (Twitter blog)
- Mobile Apps: usage of social networking apps grew 240% to reach 14.5M YOY 04/09-04/10 (ComScore)
- Facebook: top app on iPhone, BB, other OS; 2nd on Android
- Search Rankings: multiple studies have confirmed that search results are affected by social media (i.e. Bing results are now including integration from Facebook's social graph)

- Mobile-Voice: 8 out of 10 hotel reservations from mobile sites are via voice
- Website visitors coming from mobile devices doubled YOY
- Device Convergence: hybrid devices (iPAD), Google TV? Apple TV?

These channel convergences exacerbate not only the need for multi-channel marketing and distribution strategies, but also for centralized marketing content creation and multi-channel distribution.

The Future is Now: The Emergence of a Single Customer Engagement Channel

Many studies suggest that today's consumers are reading and writing more than ever in the history of human civilization. But what kind of content are people actively viewing, reading and/or writing today? Short, condensed snippets of information in the form of blogs, Facebook posts, text messages, Tweets, emails, etc. (Yes, this is not the 1400-page "War and Peace" by Leo Tolstoy).

Today's travel consumer is exposed to and engaged by many snippets of information coming from all directions in a fast-paced, real-time 24/7 environment. The results of this new real-time, multi-format information overload include:

- Consumers no longer keep track of where they have been exposed to information or content, including marketing messages in the form of SEM, SEO, email, social media engagements, email, banners, editorials, customer reviews, etc.
- Consumers no longer care which format the information or content they have been exposed to is in: email, tweet, website, mobile browsing, text, video, etc.
- Consumers no longer differentiate between media channels and content formats. They have become channel- and format-agnostic.

In other words, as far as the travel consumer is concerned, the boundaries between media channels and various media and content formats have blurred into a single "hyper-interactive information cloud." In other words, there is a total channel convergence.

This convergence of marketing/media channels + the new hyper-interactive travel consumer = the emergence of one single Customer Engagement Channel.

The Customer Engagement Channel demands a completely new distribution and marketing approach and content: customers must be convinced that this is their channel.

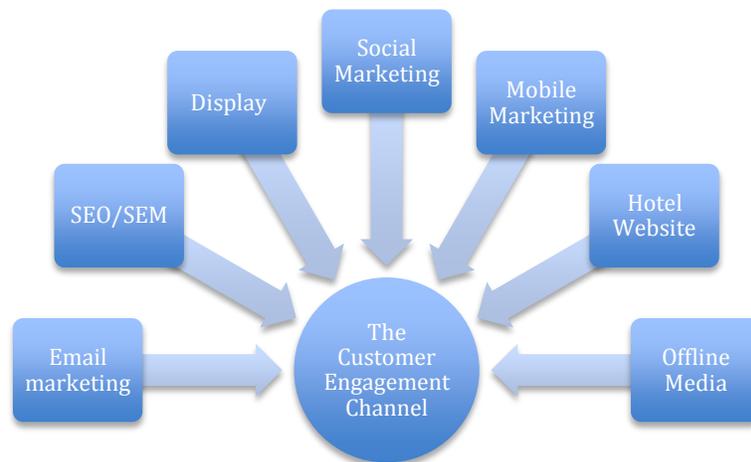
The customer is now in full control of:

- Which type(s) of content they receive
- When and how long the marketing engagement is delivered and lasts
- Which device(s) they want to use to receive your marketing messages
- Which format the content is delivered in: video, text, MMS, email, search, etc.

The Customer Engagement Channel provides

- Personalized value: intelligent, unobtrusive and custom-tailored content and engagement
- Integrated content delivery: customers have 24/7 access to useful content without thinking about which format (social media or mobile or traditional Web) or which technology is behind the interaction
- Dynamic content delivery: the correct “dosage” of information is presented to the customer at the right time through an appropriate channel: if on the go – via mobile device (serves less content), if in the office – via the Web (serves richer content), etc.

Whereas the hotel website is the hub of multichannel marketing, the new travel customer – the hyper-interactive traveler - is the master of his or her domain:



A New Marketing Approach for Hoteliers

This new single customer engagement channel demands a completely new approach to hotel marketing and distribution. Mastering the direct online channel and all of its segments: traditional Web, SEM, SEO, email, social media, mobile Web, etc., is a crucial step in this direction. Hoteliers must find a way to dominate the digital information cloud with their own marketing message and customer interactions, otherwise the OTAs and the competition will “control the conversation.”

To achieve that, hoteliers need to employ multi-channel marketing and distribution strategies, the antidote to the current silo approach. Multi-channel marketing has already become the norm and is the foundation for a smart direct online channel strategy. In this environment, the hotel website, SEM campaigns, email marketing, social media presence, mobile, etc. have a symbiotic relationship. Unleashing a marketing promotional campaign simultaneously across all available marketing channels produces a compounded effect and far greater returns than each individual marketing format.

Hoteliers must develop marketing campaigns that create customer engagement in order to achieve longer lasting results. Instead of a one-way dialogue, where a hotel sends out marketing messages hoping to direct people to the website and toward the reservations process, hoteliers must focus on building relationships through engagements.

Furthermore, hoteliers must start focusing on understanding the combination of marketing initiatives that lead to a customer engagement and potentially, a conversion.

In addition, there is now a need for smart and centralized content delivery. Not only must you reach the travel consumer at multiple touch points, but you must also try to serve the right content in the right format and at the right time. For example, invest in a new Content Management System (CMS) for the hotel website that allows all new special offers, promotions and events to be automatically pushed to your social media profiles and mobile website. Engagement requires tailored content via the appropriate medium.

How can hoteliers engage in this two-way conversation with current and potential guests?

- Provide choices for how consumers can hear from you. Consider adding a page on your website where the visitor can choose to hear from you via email, text message, Facebook, Twitter, etc. Give them the option to 'opt-down' – if they unsubscribe from one marketing format, give them the option to choose to hear from you in another way (i.e. they unsubscribe from your email list, but can like you on Facebook from the unsubscribe page).
- Use eCRM: if you haven't done so already, invest in an eCRM program. You should no longer launch marketing messages with no regard to who the person on the other end is. With the technology available today, show your guest that when they are loyal to you, you'll remember them because you want to build a relationship.
- Keep your marketing plan dynamic. If your website visitors or social media followers are not responding to a campaign, learn from it and try a different tactic.
- Utilize multi-channel marketing for all campaigns. With the hyper-interactive consumers of today choosing how and when they want to interact with your campaign, it is essential to reach them at multiple touch-points.

- Stimulate website visitors constantly with fresh content, contests and promotions on your website and through social media. If the content on your website is stale, there is no incentive to return. The same goes for your social media profiles. If the only update on your Facebook page concerns the weather, you will not stimulate and engage your fans.
- Use analytics to fully understand the path your website visitors take before making a reservation. The journey to a conversion is often complex. Before you rule out a marketing initiative a failure, analyze whether that campaign was part of the path to a booking (through stacking reports), increased the number of Facebook fans, Twitter followers, people on your email and mobile opt-in lists, etc.
- Invest in technology needed for centralized content delivery: a good CMS should be able to push your content not only to the hotel website but at the same time to Social Media channels, the mobile Web and even to your email and mobile opt-in lists.

Conclusion

Hoteliers need to work hard to nurture happy customers and avoid negative postings. Often times, negative reviews appear online because the issue at hand was not handled correctly at the hotel level. If a problem arises at the hotel which cannot be fixed, ensure the hotel staff knows why this is, and how to manage this without causing further negative feelings on the guest's behalf. Should the guest still choose to voice their complaints online, hoteliers must monitor reviews, TripAdvisor in particular, and react immediately if an extremely positive or negative review is posted. Designate one person at the hotel to monitor these reviews weekly and to use tools like Google Alerts and Technorati to monitor all online chatter about your hotel.

It's much better to react to these postings and show your current and potential customers that you are 100% committed to serving them by addressing any and all problems, rather than ignoring complaints. Currently, only 7% of hotels on TripAdvisor are responding to negative reviews, which leave the other 93% of guests to feel that their feelings and concerns have gone unnoticed. You may be under the impression that responding to a negative review is a wasted effort because this customer will probably never return. However, your response should be primarily focused on assuring the traveling public that the issue is being addressed and the hotel is dedicated to customer service. In a recent Forester Study, travelers consider past experiences of former guests equally as important if not more so than the price of the hotel. Your response will also speak to future potential customers who might stumble on this review and the hotel's response. With 35% of travelers changing hotels after reading reviews on social media sites, how you respond to your reviews (both positive and negative) could potentially affect your revenue.

As you evaluate your property's Action Plan for monitoring hotel review sites, seek advice from an experienced and ROI-centric Internet marketing hospitality consultancy to help you adopt industry's best practices and implement the latest trends.

About the Authors:

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HeBS has pioneered many of the "best practices" in hotel Internet marketing and direct online 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 over 500 top tier major hotel brands, luxury and boutique hotel brands, resorts and casinos, hotel management companies, franchisees and independents, and CVBs has sought and successfully taken advantage of the firm hospitality Internet marketing expertise offered at HeBS. Contact HeBS consultants at (212)752-8186 or info@hospitalityebusiness.com.