

## Budgeting for Hotel Internet Marketing...No Surveys, Just Plain Talk - By Neil Salerno

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### How Much Should a Hotel Invest to Develop a Strong Internet Presence?

I wish I had a dollar for every time I've been asked how much hotels should spend to develop a successful presence on the Internet. I guess this is one of those questions that would get many different answers from many different people, but I will attempt to present a common-sense approach to the Internet budgeting conundrum.

I've read a recent article which produced a survey as a budgeting guide for hotel Internet marketing in 2008. I think it's good to know what others are doing and focusing on, but most of the numbers, that the survey offered, have little relevance to the average hotel. As an example, the article suggested that 33% of their respondent hotels budgeted \$100,000 to \$500,000 for Internet marketing in 2007, this obviously includes franchise spending versus individual hotels, it appears somewhat unrealistic for the average hotel.

Internet marketing starts with an optimized proprietary web site followed by a well-conceived SEO, web marketing, and link strategy program. Internet marketing is not rocket science, hotels need a site which is easily found through generic search and one which contains the right content to generate reservations.

Make no mistake, the Internet is still the best value in hotel marketing. Dollar for dollar, nothing you can do to promote your hotel can equal the resulting benefits from having a significant presence on the Internet. Most hotels have a web site, but too many of them are ineffective in today's web marketplace, mediocre is no longer good enough.

The question of how much a hotel should invest in Internet marketing is largely an individual hotel assessment, however, every hotel, small or large, franchise or independent, should have a strong presence on the Internet. The best part is, unlike other areas of marketing expenditures, Internet marketing results are completely measurable and transparent, and therefore, this is spending which can easily be justified to owners and managers.

The amount of money which any hotel can invest in Internet marketing is limited by its total marketing budget, so, how much should be devoted to the Internet. I have always been an advocate of proportional spending in hotel marketing. If your goal for Internet generated sales is 30% of total sales, it is certainly reasonable to devote 30% of your marketing budget to achieve that goal.

The challenge is that not enough hoteliers know how much business their site is generating or how much business their site should produce. Franchised hotels have an edge, in this regard, since most franchises produce a periodic report of Internet production, which can then be compared against their spending for Internet marketing.

Independent hotels can gauge production through reports from their online reservation booking engine. Their advantage is that booking engine reports provide much more detailed information than that which is forthcoming through the franchises. The combination of web site analytics reports, to evaluate visitors to your web site, and booking engine reports, which measure reservations made, gives hoteliers the opportunity to assess the effectiveness of their web site.

The actual dollar amount which should be devoted to Internet marketing will vary greatly depending on the characteristics of the hotel, its market environment, total dollars available, and other factors. As one hotel owner mentioned to me recently, 'I don't have a pre-determined Internet budget, but I am willing to invest whatever is necessary to get my share of Internet reservations'. This is sound thinking.

Invest too little and your results could be below acceptable levels as well. Short-cuts, such as using a web site design template or employing a site designer with no hotel marketing experience or a proven site development record can also be too costly in terms of booking results.

Every time I think of this subject, I think of the story my friend David Brudney offers about the man who is frustrated with a loud creak in his stairs. He calls in a carpenter to fix it, the carpenter examines the stairs, promptly hammers in a nail, eliminating the creaky noise. He hands a bill to the man for \$65. The man says 'all you did was put a nail in the stairs'. He then looks at the bill and it says:

- Adding a nail to the stairs.....\$2.00

- Knowing where to put the nail...\$63.00

Knowing how and why consumers search for and choose a hotel, how the search process works on the net, what content is needed on the site in order to have the site found and what is needed to drive visitors to make a reservation, this is all more important than simply knowing how to design an attractive web site.

As I have said so many times before, a hotel web site is not merely an online brochure of your hotel. It needs to be an interactive sales piece designed to be easily found through generic search, and, once found, it must be designed to produce reservations. It is simply not enough to have an attractive web site.

The cost to develop a web site is largely a matter of the time it takes to research, prepare, and create it. There are a number of search and sales elements which are necessary to make it a functional hotel web site. Many people think it's simply a matter of creating a unique design, but there is a lot more involved. Here are just some of the necessary steps:

Perform research to find and exploit the most popular search key words and phrases

Perform a comprehensive online competition analysis to shape the site's overall substance and design.

Compose body text (Content) which incorporates those key words in a hierarchy format to facilitate search.

Incorporate good quality, high resolution, and optimized images into the overall site design to focus attention on site content.

Design a functional site navigation scheme to facilitate easy viewing of site pages and favorable acceptance by search engines.

Develop site sales content which contains the necessary hotel sales essentials, such as location, facilities, and attractions.

Craft a design which is totally compatible with search engine guidelines.

Develop a 'white hat' link strategy to popularize the site and produce a higher page ranking.

Build local & regional search listings to dominate local competition.

Monitor site traffic results to evaluate the sites effectiveness.

Once a site is properly developed and published, then and only then, is it ready for search engine optimization and other site marketing techniques necessary to dominate your competition. Any efforts to search optimize or market a poorly developed site is a waste of time and effort.

### **Making Difficult Choices**

Most other forms of hotel marketing have a very limited shelf-life. Printed brochures, print advertising, and even broadcast advertising have very short life spans. Yet, the effective life of a well designed web site is five years or more.

Before the Internet, hotels budgeted and spent huge sums to promote their hotels, with no guaranty of results and, even worse, no practical way to measure results. Web site analytics provides detailed data which smart hoteliers use to track, modify, and measure the results of every Internet dollar invested. Never before have we had that ability.

Just a few years ago, it was difficult to find a web site design company that had any hotel marketing experience. Today, it seems that there are so many more designers laying claim to that experience. Choosing the right company to design, optimize, and market your hotel's web site is critical to its ultimate success. Every day I hear from hoteliers, from all over the world, who have had attractive sites designed, but are getting terrible booking results.

The first thing one has to do is to stop judging a web site by how nice it looks. The way your site looks is not nearly as important as the way it functions in search and sales. A well-designed site can function well and be attractive, but function is by far the most important.

There are too many so-called hotel web site design companies who know all the Internet buzz-words, but have no clue how to design and market a site for search and sales. Don't be fooled by the size of the design company bidding to design or re-design your web site, large or small, do they develop functional hotel sites and marketing programs for an affordable price.

When creating your Internet marketing budget, my advice is don't let yourself be influenced by surveys, tables, and graphs, your Internet marketing program should be decidedly exclusive to your hotel, or group of hotels, their individual markets, funds available, and your goals for Internet sales. Choose a marketing partner with the knowledge of how hotel Internet marketing can work for your hotel.

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