

AVVIO

DIGITAL
STRATEGY

SECRETS

2020

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Digital Marketing

needlessly mystifies many across the travel industry. Digital Marketing – simply put – is about balancing the mix between high, medium and low intent traffic, to drive both brand visibility and on-site conversions. The right digital marketing strategy will entice new guests to your property, while winning more of the available market demand.



By selecting the right tactics, you'll amplify your brand message, and reduce your cost of sale. Reducing operating costs by continuously testing tactics should always be a key priority for accommodation providers.

To help you optimise your net REVPAR across all of your online revenue sources, we have shared our formula for online success. We hope this resource provides you with the necessary information you need to kickstart a successful digital strategy.



Frank Reeves

Co-founder & CEO, Avvio

START ANALYSING

Analyse why guests want to stay in your hotel.



The answer may seem obvious; it could be your award winning spa, or city-centre location. However, with constantly evolving guest behaviour and travel patterns, brands need to consistently evaluate their value proposition.

When brain-storming, think not only of why guests should visit you, but who exactly that guest is. What are their demographics, and do they match the direction you want to move your brand in? Pivoting to a new target audience is a difficult task, so it's best to enhance brand appeal for those already booking with you. Analysing your booking engine reports, as well as Google Analytics data provides a comprehensive picture. Discussing findings with hotel staff will enrich the data; often the reception staff will add human insights to the data, based on their conversations with actual guests.

Another aspect to consider when dissecting your brand appeal is how people are currently completing their booking. At all times, you should think of channel segmentation, and the cost of sale. The ultimate goal of an online strategy should be driving as much business as possible, at the best return possible.

DESIGN YOUR BRAND

Design your online brand to entice guests to book.



Your brand identity needs to resonate with your target demographic. The experience offered to guests should be at the forefront of all messaging. After all, hotel digital marketing isn't simply selling a room, or a rate, it's promoting a destination.

To follow this directive, your brand identity should be crystal clear before it's brought to life online. Offering a cohesive guest experience is so much more than an easy check-in process; it's a journey that echoes the same brand message across your property, packages and marketing.

Essentially, brand identity should shape the entirety of your marketing strategy, and a lack of clarity will impact results. Before Avvio ever engages with a customer on a digital marketing strategy, we garner a clear understanding of their brand guidelines.

Our focus at all times is on selling the brand experience, rather than a singular package.

SEO STRATEGY

Start your SEO strategy.



Search Engine Optimisation (SEO) often places further down the list of priorities for hotels, within Avvio it's a cornerstone of how we approach online strategies. Paying for traffic to a site is often the focal point of digital marketing, due to the investment required. However, content creation is intrinsically linked to how you share your brand message on one of your most powerful pieces of collateral - your brand website.

As such, SEO plays an important role in the guest experience, right through from initial engagement with your hotel in the search engine results pages, through to the booking confirmation.

Additionally, Avvio are firm believers that the best traffic to a site is free - meaning organic traffic.

- For Avvio customers, between 40% & 50% of website traffic comes from organic search results.

- 40% - 60% of online revenue comes from organic traffic.

SEO also benefits all stages of the sales funnel, driving high, medium & low intent traffic for your site. While paid campaign investments tend to focus on room revenue, SEO is essential to promote all property business areas, such as weddings and conferencing. As such, it's an important starting point for every strategy.

Step Three: start your SEO strategy

A well rounded SEO approach will ensure your own website ranks first for branded searches, which is essential given how many OTAs appear in the first page of the search results. It also ensures your property appears for searches based on the location and hotel USPs – an example would be “five star hotels in London”. These phrases are deemed medium intent, as the potential guest is still researching their travel, and has not yet decided on the exact location they’ll book. Lastly, SEO will bring through low intent traffic, that is starting their research with broadly sweeping phrases, such as “london hotels” or “five star hotels”.

When we speak of SEO, we take a two pronged approach. The first is **Technical SEO**, which is the process of making sure content can be crawled by the algorithms search engines used to decide where websites are going to rank. Technical SEO ensures no crawl inhibitors prevent search engines from easily indexing your pages. For example, this may include broken links, offline pages or incorrectly formatted code.

Once technical excellence is taken care of, **Content SEO** comes into play. This is the creation of quality long-form content to rank for relevant keywords.

Avvio starts by completing in-depth keyword research, based on brand guidelines. We select keywords applicable for your online identity to rank for, and recommend content creation to enable this.

We focus on ‘evergreen’ content that can be re-purposed by your hotel for searches year after year. For example, a quality landing page for Valentine’s Day, will enable your hotel to rank for Valentine’s Breaks for years to come.

INVEST IN DIGITAL

Invest in the value of digital marketing.



At this stage, you know what USPs to promote, who to promote them to, and you're confident with your brand and website. It's time to start investing in digital marketing. The first question hotels ask at this stage, is how much they should spend. While there's no one size fits all answer, a digitally mature hotel will garner results by **re-investing 3-4% of booked revenue per year garners results.**

When investing this fund, flexibility is needed between the different channels. Deciding at the start of the year that 60% will be assigned to high intent traffic, 30% to medium intent, and 10% to low intent doesn't offer enough adaptability to drive success. Instead of focusing on an overly granular level, **the emphasis should at all times be on the overall ROI.** The most important metric to monitor is booked revenue, instead of revenue delivered per channel. A well designed digital marketing strategy will have all online activity work in tandem to deliver results. It will mix high, medium and low intent traffic to create a sales funnel capable of growing both your hotel occupancy and market share.

Hotels who use OTA's spend almost **50%** of their Digital budgets protecting their brand compared to **27%** by hotels who don't use OTA's. What this means is, hotels using OTA's are spending half their budget bidding for their own branded keywords. Unfortunately, this is an essential tactic in order for hotels to compete with OTA's for a prominent position on the Google SERP.

This competition for keywords drives up the cost of branded cost per click (CPC) an average of **350%** compared to hotels that don't use OTA's. This CPC continues to increase with each OTA you use as advertising space is limited and only high payers are visible.

Removing OTA's will slash the high commissions on bookings and will also free up funds for more medium & low intent customer campaigns.

Let's look at this in more detail. In 2019 the Avvio COS was 6.2% and of this 3.7% was spent protecting the brand. When we looked at hotels that didn't use OTA's, we saw a **70%** decrease in the COS despite this traffic accounting for **88%** of the overall revenue.

This is particularly important, given the astronomical amount hotels invest in brand protection. By brand protection, we of course mean lower funnel activities like metasearch and Google Ads search for branded phrases. These advertise using your own website to complete a booking, as opposed to an OTA that will charge a higher commission. While essential, they do not drive further brand awareness to increase your market share.

Hotels hugely focus on these brand protection campaigns, as the ROI is tangible. They can see that investing £200 in metasearch will return £3000 on average. This investment isn't as readily apparent for brand awareness campaigns, unless one focuses on the bigger picture of overall booked revenue.

We need to think bigger than this, in order to achieve real business growth. To illustrate how it's an overly narrow view to focus solely on lower funnel activity; in 2019 Avvio properties spent 61% of their advertising costs on branded phrases. That was a significant investment of nearly £2 million, on protecting brands from OTA. Think of the value that this could instead drive when promoting your hotel to a new audience.

Lower funnel book direct campaigns will always have a place in a marketing strategy, but business growth needs to be the focus of the future.

AMPLIFY YOUR BRAND

Amplify your brand
with top of the funnel
activity.



To create noise about your hotel, top of the funnel activity is essential. In simple terms, top of the funnel activities are brand growth tactics, necessary for increasing your market share. As such, brand awareness campaigns across social media, Google Display & Video ads are vital tactics. These shouldn't be considered either/or, but instead a cohesive strategy should bind together all digital marketing channels. If a potential guest sees an advert on social media, and later sees a video advert on YouTube, they should instantly recognize these as promoting the same hotel.

Video advertising is unique in how the visuals encourage an emotional connection with your message. Plus, advertising through Google's network allows you to show video ads both on YouTube, and in 'out-stream' placements on select websites. Video advertising is made even more appealing by the low cost of running this, compared to the exposure it offers. This tactic is highly measurable, and in 2019, Avvio's video results averaged:

- Cost of 1,000 ad impressions (CPM): UK £3.27. IE €4.00. US \$4.48
- Cost per ad view (CPV): UK £0.01. IE €0.03. US \$0.03.
- Cost per ad click (CPC): UK £1.95. IE €2.79. US \$3.12.

The first step with sharing your brand message through video ads is to decide what you want to say. Storyboard the video by considering what will get guests to watch until the end. Ensure the first three seconds grab attention, and consider the impact the background sound has on emotional responses. Again, tie all creatives back to your brand and the experience it offers guests.

Display advertising goes hand in hand with video advertising to generate brand demand. These image based adverts show across the internet, in high quality web placements. Like video ads, these are targeted by the audience, so you can rest assured you're sharing your brand with the right consumers. Display ads also offer high visibility per investment, with Avvio's 2019 results being:

- Cost of 1,000 ad impressions (CPM): UK £0.82. IE €0.79. US \$0.88.
- Cost per ad click (CPC): UK £0.23 IE €0.20. US \$0.22.

Like with video audiences, display ads are best targeted to remarketing audiences, custom intent audiences & hotel & accommodation audiences.

A discussion of the top of the funnel activities isn't complete without social media. Facebook & Instagram paid campaigns uniquely enable human interaction alongside targeted messaging. For paid social campaigns, Avvio's 2019 results for social media are:
Cost of 1,000 ad impressions (CPM): UK £4.92. IE €3.05. US \$3.41.
Cost per ad click (CPC): UK £0.29. IE €0.23. US \$0.26.

With social media, think of all brand collateral in terms of mobile. This is how most people engage with messaging platforms, and so think vertically for asset creation. There is a rise in long-form content consumption on social, but ensure that the primary brand message is prominent in all posts and videos.

Avvio have tested the click through rate of single image campaigns, versus carousel and video. To date, there has not been a clear winner. The end result is a strong visual and message will bring engagement, and drive brand growth.

MID-FUNNEL TRAFFIC

Add mid-funnel traffic to the digital marketing mix.



High intent traffic on its own won't give you the sales funnel needed to fill your hotel. Next up, it's time to target mid-funnel traffic that is moving towards conversion.

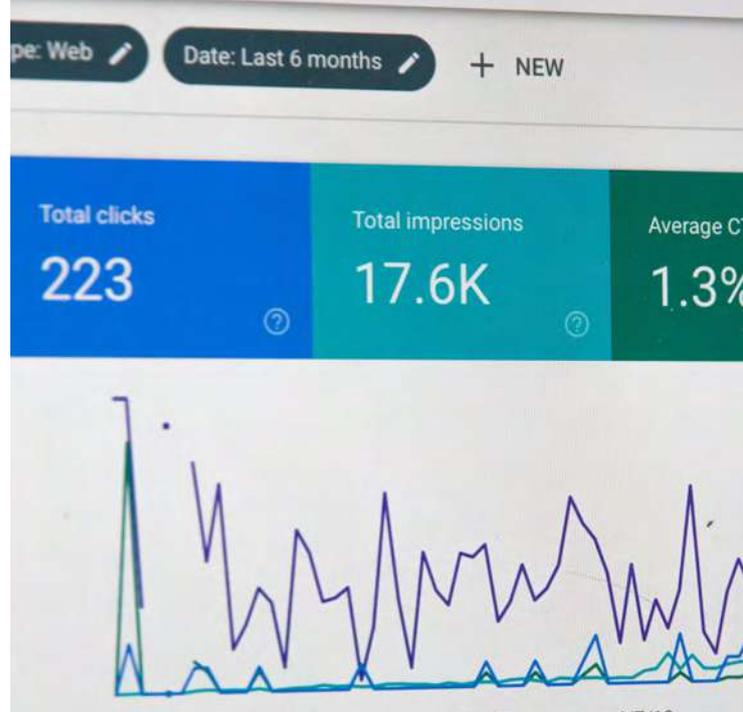
For this, Avvio focuses on keyword Search advertising across multiple platforms, specifically with generic search phrases. By generic search phrases, we mean highly targeted keywords that describe your brand. (This is different from brand phrases - variations of your brand name.)

This is another clear reason why it's essential for your digital marketing partner to have a clear understanding of your brand. Instead of bidding on "hotels in England", which is overly generic, you should instead bid on keywords that are applicable to your property type. E.g. "spa hotels in London" "boutique hotels in York" or "5-Star Hotels in Geneva". Using property USPs to narrow down the searches your hotel appears for increases both the click-through rate, and the relevance of the website user that clicks through the advert.

- Cost per ad click (CPC): UK £1.29. IE € 1.33. US \$1.49.

CAPITALIZE ON DEMAND

Capitalize on brand demand with lower funnel activity.



Now that potential guests are aware of your position in the market, they're going to be searching for your hotel. This incredibly high intent traffic is what we've been working towards with the upper & mid funnel activity. After putting in the effort to generate the demand, you do not want to hand the final booking to an OTA.

For this, being live on metasearch is essential. Metasearch is an official listing for your hotel, on OTA channels. It enables direct competition with OTAs, who have historically dominated these search channels. It works by including a link directly to the hotel's own booking engine, and we pay for traffic through this link.

While there are multiple channels available on metasearch, the most important to have a brand presence on is Google Hotel Price Ads, Kayak, TripAdvisor & Trivago. These drive the most brand engagement, as well as displaying pricing from all main OTAs. The retailer displaying the cheapest price on these wins the conversion 9 times out of 10, emphasizing the importance of rate parity at this stage of your marketing.

Avvio's 2019 results show the value of this tact; whereas for higher & mid funnel activity we measure success with visibility and traffic metrics, for lower funnel we report upon solid ROI and conversion rate.

- ROI averaged 13:1 & total cost per acquisition was 7%.
- The conversion rate was 4.44%

Paid search campaigns for branded phrases is another important way of capturing demand and turning it into conversions. The adverts that appear at the top of the Google and Bing search results, among other placements, bring high intent traffic to your site. These are an essential tactic to directly combat the OTA presence in the search results.

- Return on Investment. UK 21 to 1. IE 29 to 1. US 25 to 1.
- Cost Per Acquisition: UK 4%. IE 3%. US 3.5%
- Conversion Rate: UK 2.97%. IE 3.27%. US 2.82%.

To reiterate, while consistently spending the majority of your advertising budget on brand protection is detrimental to growth, it plays an important role in the marketing funnel. In 2019, Avvio's customer spend on the lower funnel activity was 61% of their overall online spend. While significantly better than industry averages, ideally, this figure would be below 40% of overall spend. Striving towards this figure will drive the right mix of high, medium and low intent traffic needed to build a comprehensive sales funnel.



RE-EVALUATE ; RE-PRIORITISE

Re-evaluate and re-prioritise.

Based on your overall booked revenue results, Avvio constantly adapts the mixture of upper, mid and lower funnel traffic directed to your website. Results are consistently measured, and budgets re-assigned per channel based on both the needs of the property and market conditions.

To aid with this, consistent communication of hotel goals to your agency allows your marketing to remain current and effective.

At all times, a mind is kept for your overall ROI, based on overall spend, and overall booked revenue. This enables a lower attainment cost for each property, and highlights the value of Book Direct strategies.



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