

Closing the loop on the travel journey

by *Max Starkov*  & *Margaret Mastrogiacomo* 

Hotel marketers can no longer afford to have a fragmented customer engagement and acquisition approach, but should engage online travel consumers throughout their complex journey, write Max Starkov and Margaret Mastrogiacomo. How do you achieve a 360-degree past and future guest engagement, retention, and acquisition strategy? They outline an action plan here.

Today's hotel planning and booking customer journey is becoming increasingly complex in this multi-device, multi-channel and multi-touch point digital landscape. According to Google, the average consumer engages in 38,983 digital micro-moments in just under two months. That's over 38,000 digital moments in a 60-day booking window. As consumers live their lives digitally connected, when they embark on the travel planning journey, which on average includes 19 different touchpoints before making a booking (Google research), each one of these touchpoints presents an opportunity for a hotel to build a brand connection, influence intent, and be there for every step of the journey.

In light of this complex digital landscape, hotel marketers should engage online travel consumers throughout their complex journey, and can no longer afford to have a fragmented customer engagement and acquisition approach.

One example of this highly fragmented approach is keeping past guest engagement efforts (CRM) in a silo from new customer acquisition and marketing efforts. Less than a third of hotel guests on any given night are repeat guests, while two-thirds are first-time guests. This means the reality that General Managers and DOSMs face every day is having to secure about 70% of occupancy on any given night with brand new guests they know very little about while trying to ensure they have a pleasant and meaningful stay. Furthermore, once the property has acquired this new guest, there is no guarantee they will stay again, resulting in a vicious cycle that affects the bottom line.





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Founded in 2001, HEBS Digital is headquartered in New York City and has global offices in Las Vegas, London, Europe, Singapore and Auckland. Through its Smart Guest Acquisition Suite, including the smartCMS®, Smart Personalization Engine, Smart Data Marketing, and full-stack digital consulting and marketing solutions, HEBS Digital helps hoteliers drastically boost direct bookings, lower distribution costs, and increase lifetime value of guests. Together, HEBS Digital and Serenata CRM, the most comprehensive Hotel CRM Suite today, are the creators of the hospitality industry's first Fully-Integrated 360-Degree Guest Engagement & Acquisition Platform..

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Here are some examples of today's fragmented approach:

- **Hotel website:** The property "intimately" knows their guests: home address, credit card number, what they ate, and more. Yet, when these same guests visit the hotel website, they are treated like complete strangers.
- **Data islands:** Property customer data lives in multiple "data islands" that do not talk to each other: PMS, CRM, CRS, social media, web analytics, marketing data, BI, etc. In other words, past guest data (CRM Data) is not being utilized to engage and retain past guests, as well as target new guests and sharpen the focus of digital marketing campaigns to acquire new guests similar to past "best guests."
- **RFM:** Practically non-existent capabilities to identify the property's "best guests" (high RFM value) and engage them throughout their hotel planning and booking journey, and throughout the customer lifetime, as well as use this knowledge to acquire new "best guests".
- **Technology & digital marketing silos:** Hotels tend to use a myriad of vendors that do not "talk to each other": one for CRM, one for the website, a third for SEO, a fourth for SEM, a fifth for online media, another for social media marketing, etc. Managing digital marketing campaigns without taking into consideration who past guests are, who the "best" guests are, their preferences, stay and booking behavior, and failing to capitalize on these insights to fuel digital marketing campaigns to reach the right guest.
- **CRM data not "talking" to intent data:** Knowledge from past "best" guests is not being used to identify "Marketing

Personas" and target look-alike audiences, thus significantly expanding the marketing reach to acquire new guests similar to your "best" past guests and "in market" i.e. planning to travel to the property's destination.

What is the solution?

Embrace a fully-integrated 360-degree approach that "closes the loop" on the customer travel planning journey with a seamless ecosystem that capitalizes on knowledge from past guests to acquire new guests. This means integrating the guest acquisition, engagement and retention strategy. CRM is a critical component to this type of strategy.

CRM (Customer Relationship Management) means using data to develop a 360° view of each guest, and ensuring they receive the most targeted, dynamic and relevant communication throughout the entire guest journey. CRM also allows hotels to know who their best guests are (and treat them as such on property by recognizing and tailoring the experience to their preferences), in terms of how often they stay at the property, how recent their last stay was, as well as how much revenue they extract from each guest.

A good CRM technology platform must integrate into a hotels' existing IT landscape and connect with PMS, CRS, ORM, RMS & other data sources.

What are the fundamentals of a strategy for engaging past guests?



- **One central view of the guest:** A Guest Data Management Platform (DMP) should be Cloud-based and able to store data profiles and provide one clean view of the hotel guest. This DMP should serve as the “smart” data layer incorporating past guest data extracted from the PMS, CRS and other guest data sources, and continuously updating, cleansing and enriching customer profiles to serve as the main “guest knowledge depository” for ongoing guest engagement and retention, as well as new guest acquisition efforts. This platform should be able to dedupe and combine several guest profiles if they belong to one guest (i.e. one guest may have different profiles because they have provided different e-mail addresses in the past). This allows the hotel to recognize their loyal guests on property, as well as on the hotel website and throughout digital marketing initiatives.
- **Guest communications:** Automated transactional e-mails and engage customers with personalized guest communications, such as pre-stay, in-stay, and post-stay e-mails, cancellation e-mails, guest surveys, and more.
- **Guest marketing automation:** Marketing automation tied to CRM data allows a hotel property to initiate or schedule targeted and highly personalized e-mail marketing campaigns and “drip” campaigns to smart customer lists with unlimited targeting options.
- **Loyalty/guest recognition:** Mid-size and smaller hotel chains, luxury or boutique hotel brands, or even independent hotels and resorts must be able to recognize and reward repeat guests through either a comprehensive Reward/Loyalty Program (points or perks) or through a Guest Recognition & Appreciation Program (based on number of room nights).

How can CRM go a step further?

Through the use of CRM data, hotels can acquire new guests by capitalizing on the knowledge of past guests i.e. CRM data. Everything should function in one seamless ecosystem to “close the loop” in a hotel’s past and future guest engagement, retention and acquisition. This includes:

- **Personalization:** Fully integrated with the Guest DMP, hotel websites should be able to deliver dynamically personalized content and promotions based on users’ past booking history, guest preferences, loyalty program affiliation, demographics, geo location, website behavior, or market segment affiliation.
- **Smart data marketing:** Smart data marketing takes full advantage of “owned data” (past guest data, demographics, website data, etc.) and then layers on real-time travel planning insights and intent data points to target in-market potential guests *during* the travel planning process to a property’s destination. Smart data marketing should utilize programmatic advertising and dynamic rate marketing (DRM).
- **Acquisition marketing:** This type of marketing should utilize knowledge from past guests to target and acquire new guests through direct response and evergreen digital marketing initiatives such as SEM, SEO, GDN, online media,

programmatic display, and dynamic rate marketing. Acquisition marketing also includes seasonal and targeted multichannel campaigns with one cohesive message across channels to answer occupancy needs, target current and new segments, capitalize on events and holidays, and more.

When a hotel CRM strategy is incorporated into their overall strategy of acquiring guests, then they can truly engage a travel consumer at every touchpoint in their travel planning journey.

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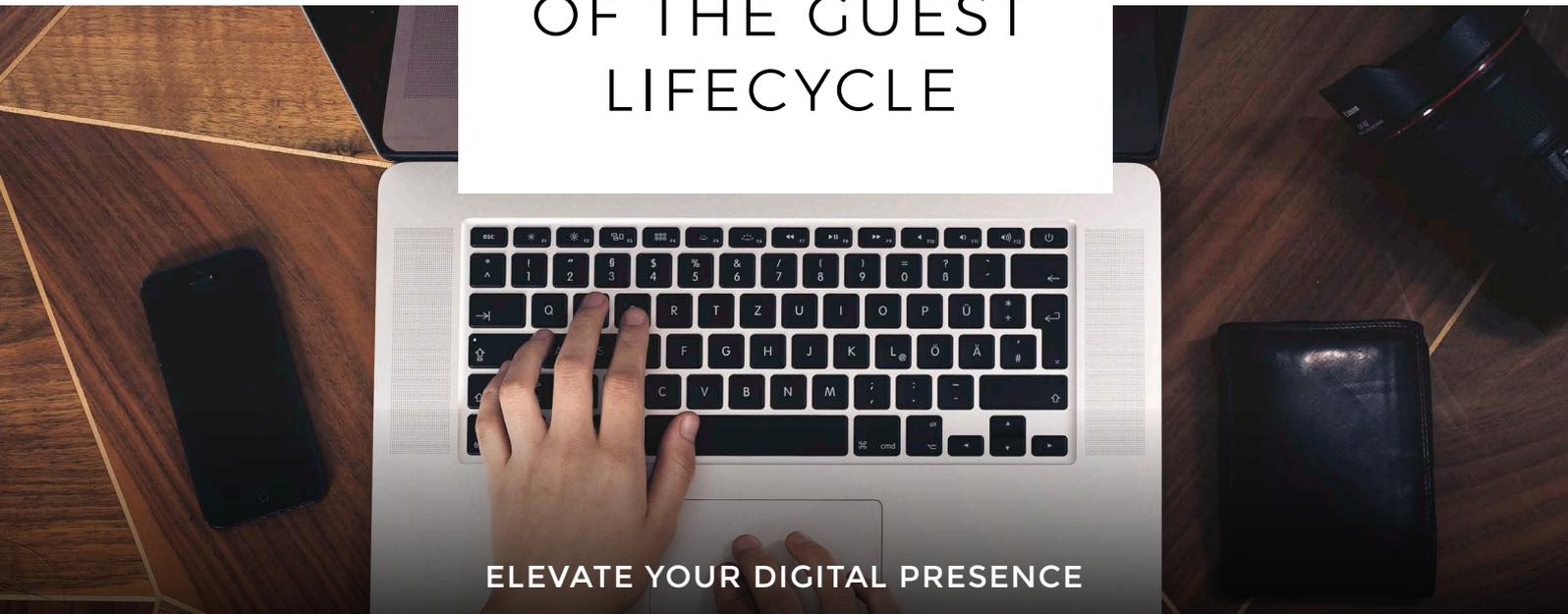
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We are closing the loop on the travel journey and helping hoteliers increase direct bookings, lower distribution costs, and retain their best guests by being there every step of the guest lifecycle.