



[Home](#) | [User Account](#) | [Logout](#) | [Advertise](#) | [Contact](#)

**Travel Distribution Summit USA 2009**  
 Get practical advice on cutting costs and growing profits in a changing economy  
 Hear from: **SVP Lodging, Expedia**  
SEP 16-17, THE WESTIN, MICHIGAN AVE. CHICAGO - [CLICK HERE FOR MORE INFO!](#)

**Hotel Business Review**  
 A weekly online journal of best practices in hotel management and operations

- Hotel Business Review
- Hotel Newswire
- Executive Meeting Place
- Industry Events

Search

**Technology: Internet Marketing**

**Analytics: Travel Marketing's New Road Map**

By [Steve Morse](#), General Manager, Travel & Hospitality, ClickSquared



Steve Morse

Today's travel and hospitality marketing environment is driven by a dynamic flow of information that grows more diverse and complex by the day. With interactive and Web-based tools delivering more power to guests in the reservation process than ever before, expectations around responsiveness and personalized service continue to increase. As a result, marketers face numerous operational challenges as they try to manage an unprecedented number of guest touch points and interactions. Complicating matters, most of these marketers have large numbers of guests and every guest presents different and dynamic needs.

For example, a customer in the travel industry expects the marketer to provide a customized set of options for a resort visit, secure the booking via any channel, provide an immediate summary of the itinerary, make personalized recommendations for resort activities such as dinner reservations, spa treatments or a day on the golf course, arrange, confirm and notify the guest of these activities via any channel, recognize the customer upon arrival, serve the customer according to

pre-determined preferences, and communicate with the customer upon their return home...with complete awareness of the recent trip.

Simultaneously, marketing professionals encounter mounting pressure from management to demonstrate the financial accountability and return on investment of their marketing spend and programs. Moreover, they must balance financial controls while still achieving their objectives in customer acquisition, loyalty, and retention as well as cross-selling additional amenities and up-sell travel packages. They need to provide senior management with an explanation of where investments are going, provide the rationale for those choices, and clearly identify the source and size of the returns. Which customers comprise the brand's best marketing opportunities? How many customers should be invested in? Which ones? What marketing programs, channels, and tactics are most appropriate and why?

Travel and hospitality marketers struggle with answering these questions because their data sits in multiple places or is incomplete. This common challenge impacts a marketer's ability to measure marketing effectiveness (ROI) at the customer level.

Many believe a customer's current, potential, and/or expected value are the most important considerations in making investment decisions. The rub: the value a customer represents to the brand can be just as dynamic - and therefore just as difficult to measure and respond to - as the customer's needs.

Travel and hospitality marketers are coping with the operational challenge of supporting a myriad of dynamic communications that must be acted upon accurately based on a buyer's needs, profiles, purchase histories, and more. Furthermore, they're struggling with how to accomplish this - and manage this - in a way that demonstrates measurable results and optimizes returns - while keeping costs down and budgets in check.

**Tools and Capabilities Aren't Enough**

In order to keep up with these demands, sophisticated marketing tools and technology have continued to evolve. It's not unusual for marketers to spend hundreds of thousands of dollars on large databases they can fill with a tremendous amount of guest data (including demographics, preferences, past purchase history, etc.), expanded technology infrastructures, sophisticated data mining tools and CRM systems that provide data access in real-time which, in theory, can enable marketers to meet guest expectations of timely and responsive communication. While these new tools and capabilities are contributing to improvements in marketing effectiveness and efficiency, a solid game plan - which includes a proven marketing approach - is perhaps the most essential asset of all.

What to consider...An effective marketing approach should help clients to:

**Mobile Strategies for Travel Industry**  
 61.5% year on year in mobile web browsing  
 US premier marketing & distribution event for the Travel Industry  
SEPTEMBER 16-17, CHICAGO

**Revenue Management & Pricing in Travel USA '09**  
 Discover how to price for profit & steal market share  
SEP 16-17, THE WESTIN, MICHIGAN AVE. CHICAGO

**Travel Distribution Summit USA '09**  
 Seize opportunities, create innovative campaigns and steal market share in a changing economy  
SEP 16-17, THE WESTIN, MICHIGAN AVE. CHICAGO

- \* Overcome operational challenges
- \* Overcome financial challenges
- \* Understand how each interaction between the brand and the customer produces value
- \* Provide insight regarding making marketing and investment decisions
- \* Help manage marketing investments and customer interactions
- \* Align the right marketing response (and channel) with each customer- or event-driven stimulus in real time
- \* Facilitate execution on a large scale which ultimately should lead to an automated process

An approach like this needs to leverage a sophisticated engagement model that helps travel and hospitality marketers understand how each interaction between the brand and the customer can produce real value. The model should have the ability to monitor a customer's level of engagement by tracking each contact and resulting behavior over time. As a result, it should then inform marketers when best to take marketing action and how (or through what channel).

A smart approach typically breaks up into stages, with each leveraging different analysis tools and techniques. Where the first stage would be focused on identifying opportunities and determining priorities within the customer lifecycle, the second would focus on determining the strategy and building the actual marketing plans. Measuring, monitoring and maximizing customer engagement (and marketing success) is the next stage, and includes flagging customer issues. Next, the goal would be to monetize customers, segments and brands. Finally, the focus should be to diagnose issues and prescribe the best-suited actions. This will help guide marketing decisions to ensure investment-appropriate marketing treatments reach the right customers...through the right channels...at the right time.

#### Analytics on the Move

Marketing approaches like the one described are not only available, they are currently in place and helping a leading travel and hospitality organization. This global market leader in online vacation rental properties consolidated a history of customer interactions and transactions into a database. Working with a marketing services provider, they built a sophisticated engagement model to understand how a history of marketing interactions and customer touch points influenced engagement and marketing success – in this case probability of renewal – at the customer level. The resulting learning is changing the way they deliver services and manage marketing treatments during the customer lifecycle. For example, they learned that marketing interactions near the end of the subscription period are far more influential (than early-period interactions) on a customer's renewal probability. Moreover, they learned which specific marketing treatments matter most. Today, marketing changes are being tested and executed in order to enhance their customer's experience with the brand while simultaneously maximizing service renewal rates.

#### Next Generation T&H Marketing

The ultimate goal is a model-driven, automated marketing engine that optimizes marketing performance in real-time. Companies can get there by transforming marketing communication scenarios and treatments into business rules that can be integrated into database marketing engines. The business rules can then be integrated into a marketing engine for automation, helping marketers to achieve an unprecedented level of efficiency and effectiveness by allowing them to manage one-to-one marketing initiatives and make investment decisions with greater confidence.

So the next time a travel and hospitality organization is grappling with the best way to serve a guest or traveler who wants a customized set of options for a resort visit, the ability to secure the booking via any channel, the option to obtain an immediate summary of the itinerary, the chance to take advantage of personalized recommendations for resort activities, the ability to arrange these activities via any channel, recognition upon arrival, service according to personal preferences, and outreach upon their return home with complete awareness of the recent trip...start with a well-thought out approach.

And when it comes to taking a myriad of data from a variety of disparate data sources to boil it down into something that drives value, success is dependent on the particular goals of an organization. There is an option out there that fits the bill.

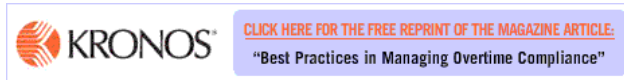
*Steve Morse is the General Manager of the Travel and Hospitality vertical at ClickSquared. With more than twelve years of experience in entrepreneurial environments, Steve has a proven track record of helping companies position and grow their solutions increasing retention while decreasing overall costs. In this role, Morse counsels clients on the strategic direction, design and implementation of marketing and communication programs to build long-term relationships with customers. He works closely with ClickSquared's travel and hospitality clients throughout North America and Europe. Mr. Morse can be contacted at 781-487-7569 or [smorse@clicksquared.com](mailto:smorse@clicksquared.com).*

**More articles by this author:**

- [Choreographing Your Customer Communications](#)
- [Best Practices in Email Marketing: Keeping Hospitality Marketers Clicking with Their Customers](#)

---

Industry Articles: [Hotel Business Review](#) | [Headline News: Hotel Newswire](#) | [Current: Industry Events](#)



Copyright © 2009 by HotelExecutive.com. All rights reserved.

[Privacy Statement](#) | [Home](#) | [Advertise](#) | [Unsubscribe](#) | [Contact](#)