



Appealing to the Masses May 1, 2005

After about 10 years of experience in marketing their rooms via the Internet, innkeepers still have room to learn! When Bed and Breakfasts first began building web sites a decade ago, the Internet delivered a wealth of information and its community-based directories and discussion boards dominated the web. Now commerce has replaced education and knowledge searches as the primary channel of internet usage. Along with the increased emphasis on online commerce, comes the search for the “best price” and “comparison shopping.”

The bed and breakfast and inn industry were actually early adopters of utilizing the internet as an additional marketing strategy and a way to increase exposure to their properties and amenities. By investing wisely in online directory listings and promoting their property’s web site, properties often experienced increased occupancy and revenue. As popularity of internet reservations began to grow, so did online competition! For the next several years, any innkeeper serious about internet marketing was probably on a constant learning curve to stay competitive in a market flooded with new vendors and marketing opportunities.

Discount Distributors

In the late 1990s, discount distributors of hotel and lodging reservations began impacting the Internet travel market. The Hotel Reservations Network was acquired and renamed to Hotels.com in April 1999. Many hotels that had not previously considered online reservations or Internet marketing began selling their rooms through this discount distributor. Price line and Hotels.com can sell significant numbers of rooms – but at sometimes painfully low rates. Internet bookings began to grow, but distributors such as Hotels.com were profiting more than the rooms they were selling! A couple years ago, the lodging industry began to recognize the danger of “rate erosion” if these distributors continue to gain high usage from both travelers and travel suppliers.

For the innkeeper, it’s vital for you to understand your internet marketing options, and how each strategy applies to a specific business goal.

Marketing to your Best Guest!

- **Keyword and pay-per-click marketing**
- **Web site promotion and advertising**
- **Local, regional and niche market online directories**

Marketing your own web site, linking and listing on affiliate sites and paying for targeted marketing such as keyword and “pay-per-click” marketing are the best internet strategies for attracting your Best Guest! Of course, don’t forget sending out email specials or packages to your existing guest list – any growing business is built on repeat stays!

Attracting new or out-of-town Guests!

- **GDS**
- **National internet directories**



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If your local and targeted marketing is going well, but you are still running below your desired occupancy rate, then it's a good time to consider selling rooms through the Global Distribution System.

Travel agents use the Global Distribution System worldwide to book hotels, airlines, tours and other reservations. For an individual property to become listed on the GDS is usually cost prohibitive. Many individual properties become listed by signing up with a reservation service like Worldres.com, Inn Points (www.innpoints.com/) or Vantis' GDS connectivity (<http://www.vantiscorp.com/hotel/>) services. If you combine all GDS sources, your property becomes accessible to more than 600,000 travel agents and travel planners worldwide. An online travel agency like this bears the cost for listing its members on GDS, and takes a commission for bookings made. It's a great way to gain business either during an off-season or expand into a market you could not otherwise reach.

Paying for ads or premium listings in national bed and breakfast directories can also bring you new business, or increase occupancy during a season that is typically slow.

Selling "Unsold" Rooms

Max Starkov warned in a June, 2003 article in eyefortravel.com that if your property "signs up with online merchants like Hotels.com, your hotel will appear on the Web only through your discounted rates offered by these online intermediaries and their affiliates (e.g. Hotels.com has over 34,000 affiliated websites). Which means that Internet users will always "bump" into your discounted rates and nothing else."

Discount distributors, if used, should ONLY be used for rooms that would otherwise go unsold. If you need to run 100% occupancy during a period of time, a service like Hotels.com will do a good job of selling those rooms. Just so you are fully aware, that these distributors demand to sell your rooms at their lowest rate. If other marketing strategies are not filling your property, you may consider discount distribution for a season.

Whether you are a new innkeeper, or new to the Global Distribution System take time to educate yourself before contacting vendors. Begin by reviewing your own sales trends including current occupancy and revenue reports, and have a plan for exactly which seasons, which rooms and which rates you want to market more heavily. Then you will be able to accurately measure the profitability and effectiveness of the internet marketing vendors you choose.

Next month's *Technology Trends* will include an in-depth review of how the Global Distribution System operates and sells rooms worldwide.