



Changing Buyer Behaviours

The Online Purchasing Revolution

by Chris McBeath

Of all the socio demographic factors one might reference, it's Information Communication Technology (ICT) that is primarily revolutionizing the purchasing behaviour of virtually every single consumer. And of all the industries feeling that transformation, travel is one of the largest.

Today, if hotel marketers are to fill guestrooms, they must embrace OTAs, understand the importance of Digital Time Spent (DTS), and aggressively engage with Business to Consumer (B2C) e-commerce. Add social networking, micro blogging, and online broadcasting (TV and radio) into the mix and reaching potential patrons is akin to the proverb, "We can't see the forest for the trees."

Understand the technology and how it is crafting consumer behaviour, however, and those trees become stands of opportunity.

New Rules of Engagement

Growing faster than the global economy, ICT has empowered consumer choice. Take note: 70% of respondents to a Google/Ipsos MediaCT survey begin their travel research online to be inspired, and to help determine how and where to go. "It's a behaviour model that is accelerating exponentially," says Frank Vertolli, co-founder of an award-winning digital marketing agency that specializes in travel and hospitality.

“Where once hotels controlled distribution as to when and where traditional marketing would occur, that process is [now] almost entirely consumer-driven. In fact, research tells us that a consumer will visit 20 websites across nine different online sessions before booking a single hotel room,” Vertolli explains. “The challenge for hoteliers and other suppliers is to meet those consumers on their playing field, and be open to managing a small flow of information constantly through texts, interactive apps, booking engines, and other digital technologies. It’s a fragmented approach that makes behaviour difficult to harness and speaks to the importance of being available on many channels including review sites, destination pages, and search engines.”

Integrated and Immediate

In the digital era, communication can be personalized and targeted to different groups on the basis of behavioural types. The more personalized campaigns are, the better they will reach the target audiences - whether they be instant-gratification Millennials, budget-conscious family travellers, or Boomers. Contrary to popular belief, the aging Boomer generation makes up a solid third of all Internet users and they aren’t shy to engage in e-commerce and selected social networks.

Effective marketing means cross-promoting, understanding, and managing multiple distribution channels. With Google monetizing 100% above the fold (the visible screen area before scrolling down) for hotel



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search results, it’s more important than ever to build organic traffic to offset the ‘pay to be seen’ trend, and optimize the overall customer experience across all platforms.

Equally important is recognizing that consumers use different devices for multiple online activities. Multi-screening, especially while watching TV in the evening, means they browse the web, send and receive texts,

tweets, and emails, and interact with social media messaging on phones, tablets, smart TVs, smartwatches and Google Glasses. Several devices are now geared to synching functions so that users can start viewing in one place and finish it somewhere else on another device. Catering to multi-screen consumers is an essential part of digital strategy.

The advertisement is split into two main sections. The left section features a large red maple leaf graphic with the Cambridge logo (a blue oval with a white 'C' and a red maple leaf) and the text "Made in Canada by Canadians, for Canadians". The right section features the Tex-Pro Western Limited logo (a colorful geometric shape) and the text "Tex-Pro Western Limited Your reliable choice for quality, selection and & service since 1967". Below this, it says "Need to replace your towels? Order Cambridge Towels. Available in white or colours." and provides contact information: "828 Powell St., Vancouver, BC V6A 1H8 T: 604-254-9551 TF: 1-800-663-9266 sales@texpro.net www.texpro.net".

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Mobile Marketing 24/7

The boom to mobility is pushing companies to develop better and easier mobile booking experiences so that consumers can purchase anything, anywhere, at any time. Mobile commerce already contributes 25% of the total online travel market and according to eMarketer it is estimated to hit \$64.69 billion by 2018 - nearly 40% of all travel sales. Within four years, it is anticipated that mobile bookings will surpass online bookings from other devices

“Apps that play into the last-minute mind of the mobile user enable users to search for last minute hotel deals, allowing them to quickly find and reserve a room wherever they are for that night,” notes Guillaume Lelait, General Manager of a leading mobility marketing company whose clients include Expedia and Hotels.com, both of which cater to this ‘immediate’ need. “Smartphones are typically used for smaller transactions, one-night, and last-minute hotel stays, but as tablets replace desktops, larger transactions and longer trips are evolving.”

Going forward, hotels not only need mobile-friendly websites and booking engines, they need to incorporate technology to capitalize on the purchase experience. This includes proximity marketing where various media and permission-based messages can be pushed out to guests based on their location as well as enhancements such as online check-in, text-enabled room service, and links to activities and attractions.

Maximizing Digital Time Spent (DTS)

Net Affinity states that the average travel journey, from research to booking, takes 24 days and includes 21.6 touchpoints. When the modern day traveller can compare rates and amenities offered by hundreds of properties in just a few taps, personalization becomes key. And video is becoming the answer.

With 85 million online video views every day in the US alone, time spent on static, calling card websites is practically zero. These days, websites must be highly visual, and preferably incorporate a mix of user-generated content and professionally-made videos.

“Not long ago, videos were important only in the aspiration phase of purchase cycle, to plant seeds,” describes Vertolli. “Now they are

A Must-Do List to Secure Today’s Hotel Consumer



Photo courtesy of Destination BC

- Guests want to engage online - activate your website with visual appeal and social media links.
- Guests will share their opinions - focus on great hospitality and superlative service; get more guest reviews onto your website pages.
- Most guests begin their travel research online - build ranking with search engines and OTAs to take marketshare.
- Guests want more than a room - become tourism promoters online.
- Guests are accessible 24/7 - use social media to stay in touch and inform guests about upcoming events, offers, and packages.
- Guests will purchase online - make sure you have a versatile, user-friendly booking engine; use data to build customer experiences and relationships.
- Many guests seek instant gratification - make hotel packages front and centre for spontaneous getaway decisions.
- Guests absorb storytelling - personalize your hotel's experience with video; and keep an eye on Oculus Rift; using 3D Virtual Reality could soon be the point of differentiation.
- Use technology such as cloud-based software, a channel manager, and a centralized hotel reservation system to help identify which online channels deliver the most value
- Respond to “Mobility First”, the long-held rallying cry of Google, Facebook, Apple and others.

vital in every stage of the cycle right down to the room category, and they must be linked to mobility, booking engines, and paid search platforms in order to drive bookings.”

Guillaume agrees. “The inventory for video ads has expanded greatly, even within the last year. Consumers tend to engage more with video because it allows brands to tell a richer story through visuals and audio. Retargeting is also on the rise. This is where users will see ads based on their recent searches. So if someone has searched for a few times for hotels at a certain destination, they will see ads about that particular destination or hotel offering them a deal or reminding them to book.”

YouTube aside, the explosion in personalized and story-telling videos is forming a new kind of social media based on short video content as seen on Vine (mobile only, 6-second clips), Snapchat, and Instagram. Even brands are using the power of micro-videos, aggregating them on blogs and websites such as Tumbler.

Omnipotent OTAs

They may engender a love-hate relationship with most hoteliers, but OTAs are important in a hotel’s marketing arsenal.

Offering real-time room availability and pricing from multiple sources along with

pictures and detailed information, their influence on consumer purchases is undeniable. In 2012, four brands - Expedia, Orbitz, Travelocity, and Priceline - controlled 95% of the Online Travel Agency market. Through subsequent acquisitions and mergers (including Expedia of Orbitz and Travelocity, and Priceline of booking.com and Kayak, among others), Expedia and Priceline have emerged as the current jungle kings. But keep an eye on Google. Already the top-ranked travel search engine, Google's Flight Search and Hotel Finder is determined to get its share of the lucrative travel market. Then there's TripAdvisor. With a reputation as the world's largest, most recognized and most trusted travel brand, TripAdvisor is reported to receive 315 million unique monthly visitors and boasts 150 million downloads of its various apps.

These impossible-to-ignore statistics demonstrate the need to get onboard with meta concepts - build ranking on search engines, encourage guest reviews, and make your website as visually exciting as possible.



Shared Transparency

In a digital economy, bloggers now influence over half of all consumer decisions, guest opinions hold sway, and rankings on meta search engines add considerable weight. A research study by SAS and The Pennsylvania State University showed that the way a hotel is presented in meta search engines is often a decisive factor, which can even trump price. Taken further, a negative review “can remove a hotel from consideration regardless of price.”

This digital transparency creates a very competitive environment in every market segment. It also keeps hotel general managers on their toes to deliver an exceptional experience.

Equally important, though, is understanding how to work the increasingly social, diverse, and varied social platforms to help drive sales. For example, Facebook’s “graph search” can show apps, videos, and photos that friends are using that might be relevant. Another algorithm shows all friends who have checked into a hotel in the city search facility. Both are powerful marketing tools as users of social networks trust their friends’

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recommendations over corporate messaging.

“The choice of platforms can be overwhelming, so it’s important to figure out which are the most prevalent to your hotel,” advises Vertolli. “If you have a visual location, you might want to leverage sites that highlight pictures. If you’re a downtown business hotel, a more logistical site such as iHotelier might be a better fit. Either way, the bigger and more established platforms such as Facebook, Twitter, and Instagram are generally good choices, and YouTube is critical. Whatever is chosen, you must commit to keeping it fresh and current or you might as well not bother at all.”

Because smaller properties, especially those outside of the big brands, do not have the resources to dedicate to ICT, Vertolli suggests that managing the Internet becomes

everybody’s job. “With processes and rules in place, it’s very possible to empower staff members to address online guest issues in much the same way as an Air Traffic Controller directs aircraft.” He also stresses the importance of updating in-house systems in support of these platforms.

It’s a brave new world in consumer behaviour where you may feel potential guests are more evasive than ever. Whether they’re looking for a spa getaway, a shopping extravaganza or an active adventure, guests are seeking the “experiential”, and once you get a handle on Information Communication Technology, you realize that it actually puts your hotel in the palm of their hand like never before. 📍