

BRANDED & INDEPENDENT HOTELS

A photograph of a modern hotel lobby with wood-paneled walls, a large circular light fixture, and people sitting at tables. The scene is dimly lit with warm tones.

Planning Your 2024 Marketing Budget for the Opportunities Ahead

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Making the Most of Your Marketing Budget for the Coming Year

Trying to put together a marketing strategy without a budget can be challenging. Creating brand awareness and driving direct bookings without a clear roadmap makes it difficult to plan long-term, set goals and stay on track financially. Successful hospitality marketing can't be done on a whim.

This is the time to consider what marketing strategies make sense for your hotel and put together a 2024 budget that will help ensure your hotel's long-term success.

When all is said and done, a marketing budget is only as good as your marketing plan. To reposition your hotel for the year ahead and boost your bookings, you need a diverse marketing mix. To help you plan your budget, we've assembled a guide of marketing tactics and strategies you need to know.

Let's dive in.

3 Things to Know When Creating Your Marketing Budget

Creating a marketing budget and choosing how to allocate your funds isn't as simple as plugging numbers into a spreadsheet. The best marketing budgets are built strategically, taking into account your goals for the year and then allocating your budget to marketing tactics that will help you get there.

There is no such thing as a cookie-cutter budget. The right spending breakdown will vary based on your hotel type and brand, location, audience and more. Before determining how to build your budget and where to spend marketing dollars, you should answer three questions.

WHAT ARE YOUR HOTEL'S 2024 GOALS?

Every hospitality marketer's ultimate goal is to increase bookings, but it's important to have a clear focus on your overall marketing initiatives for the year ahead. Sure, more bookings is the end goal. But what tactics will help your hotel get there in 2024? Ultimately, your marketing budget should align with your goals, whatever they might be.

- **Need to drive more direct bookings?** You may want to invest in metasearch and other proven advertising methods that cut down on commission-based tactics.
- **Looking for increased organic traffic?** Creating a blog and focusing on on-site and technical SEO can improve your hotel's search engine rankings.

- **Want to improve your brand awareness?** Display ads and social media management can help showcase your hotel's amenities.

WHAT ARE YOUR CURRENT OPERATING COSTS?

Before you start allocating your marketing budget, it's important to have a clear picture of what you have to spend. To begin putting your budget together, first determine costs that are locked in, including:

- Marketing staff costs
- Software and website costs
- Outsourced work costs

When you've determined those costs, it allows you to not only better allocate the remaining budget to fit your strategy, but it also gives you insight into what marketing work can be completed in-house and what work might be best done in collaboration with a strategic marketing partner.

WHO IS YOUR IDEAL AUDIENCE?

Your marketing mix will depend on a number of factors, but no strategy or budget should be put in place without determining who your ideal guest is. Depending if your hotel caters to business guests, the leisure traveler, or a combination will affect the marketing tactics you use to reach your goals.

Pay Per Click Advertising

As a branded hotel, both competitors and OTAs might be aiming for your search traffic. Driving bookings to your hotel website is all about real estate, particularly at the top of Google's search engine results page (SERP). Pay-per-click (PPC) advertising can create an immediate presence in search engine results for the keywords you choose, such as your brand name or a local destination. This is a strategic approach to ensure you're top of page and top of mind when prospective travelers go searching.

HOW IT FITS IN YOUR BUDGET

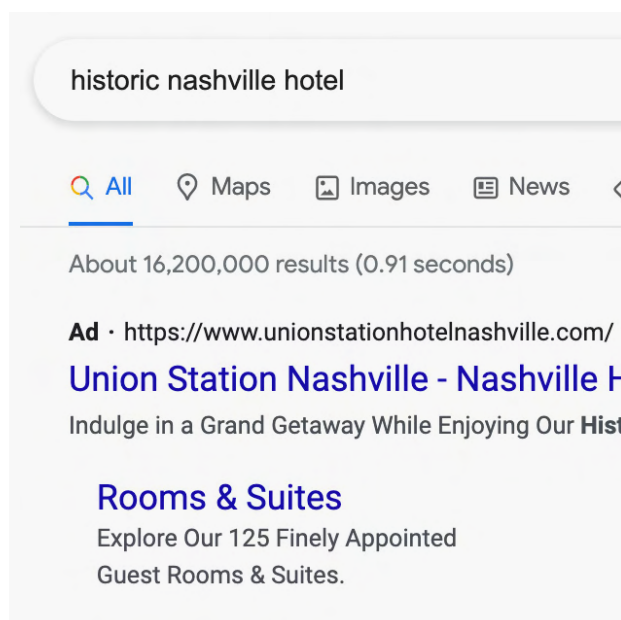
As a branded hotel, you can leverage your internal corporate program to launch a PPC campaign or utilize an agency. Marriott brands can use the Plus program while Hilton brands have the ability to utilize the Advance program. To get one-to-one, customized strategy on keywords, target audiences, and more, many branded hotels choose to use a marketing agency for PPC advertising.

WHY IT MATTERS

Google, which controls 92% of the search engine market, processes 8.5 billion searches each day. According to data, 27.6% of clicks on Google are on the first result (15.7% are on the second). With PPC advertising, you can command the top of search engine results for strategic keywords and drive more potential guests to your website instead of a third-party booking platform or a competitor.

PRICE RANGE

Advertising spend \$500 - \$6,000+ per month, Service fees \$200 - 900+ per month



Google Performance Max

Performance Max is a new goal-based campaign type that allows businesses to access all of their Google Ads inventory from a single campaign. Hotel owners specifically can leverage Performance Max for Travel Goals, a sub-category of Performance Max that allows the campaign to be tied to a hotel.

Performance Max is designed to complement your keyword-based Search campaigns to help you find more converting customers across all of Google's channels, including YouTube, Display, Search, Discover, Gmail, and Maps.

Performance Max helps you drive performance based on your specified goals, such as increasing website traffic, generating leads, or driving bookings. It delivers more conversions and value by optimizing performance in real-time and across Google's channels using Smart Bidding.

Performance Max combines Google's AI technologies across bidding, budget optimization, audiences, creatives, attribution, and more. These technologies are all empowered by your specific advertising objective, for example, if you have a CPA or ROAS target, and the creative assets, audience signals, and optional data feeds you provide.

HOW TO BUDGET FOR PERFORMANCE MAX

The optimal budget for your campaign will depend on your specific goals, budget, and competition.

If you are a small or medium-sized hotel, you may want to start with a lower budget and gradually increase it as you see results. You can also use Performance Max's budget optimization feature to help you get the most out of your budget.

TIPS FOR SUCCESS WITH PERFORMANCE MAX

Here are a few tips to help you get the most out of Performance Max:

- **Set clear goals and objectives.** What do you want to achieve with your Performance Max campaign? Once you know your goals, you can optimize your campaign settings accordingly.
- **Provide high-quality creative assets.** Your creative assets are essential for driving conversions with Performance Max. Make sure your images, videos, and text are high-quality and relevant to your target audience.
- **Use Audience Signals,** which are unique to Performance Max campaigns and allows you to help guide Google's AI on who your ideal target audience is.
- **Track your results.** It is important to track the results of your Performance Max campaign so you can see what is working and what is not. This will help you optimize your campaign settings and improve your results over time.

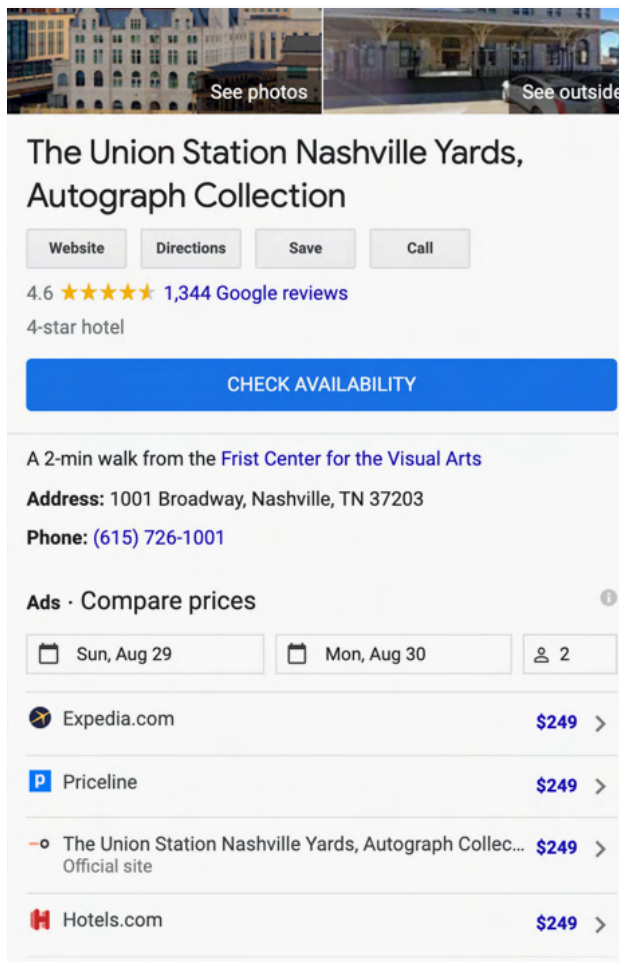
Performance Max is a powerful new campaign type that can help hotel owners reach more converting customers across all of Google's channels. If you are looking for a way to improve your hotel's online performance, Performance Max is a great option to consider.

PRICE RANGE

Advertising spend \$500+ per month, Service fees \$200+ per month

Metasearch Marketing

Metasearch sites such as TripAdvisor, Google Hotel Ads, and Kayak are convenient ways for guests to search and compare the availability and pricing for multiple hotels at once. While there is some complexity to executing a metasearch strategy, when done right it can have a drastic impact on direct bookings. People love convenience and the ease of researching and booking on metasearch sites has helped the marketing channel take off in recent years.



The Union Station Nashville Yards, Autograph Collection

Website Directions Save Call

4.6 ★★★★★ 1,344 Google reviews
4-star hotel

CHECK AVAILABILITY

A 2-min walk from the [Frist Center for the Visual Arts](#)
Address: 1001 Broadway, Nashville, TN 37203
Phone: (615) 726-1001

Ads · Compare prices

Sun, Aug 29 Mon, Aug 30 2

Expedia.com	\$249	>
Priceline	\$249	>
The Union Station Nashville Yards, Autograph Collec... Official site	\$249	>
Hotels.com	\$249	>

HOW IT FITS IN YOUR BUDGET

To take advantage of metasearch, you'll typically need to work with your internal corporate team. Marriott (MDS), Hilton (ECG) and Hyatt (DMP) among other brands all require you to work with your corporate group. However, agencies can now operate within these tools on behalf of clients to better manage outcomes.

WHY IT MATTERS

Google accounts for 67% of all metasearch spending. Metasearch ads pull rate and inventory information into one place and receive prominent placement on Google. They work especially well for direct bookings and typically have commission rates between 10-15%, lower than OTAs. Metasearch performed particularly well during the pandemic, in some cases seeing ROAS of 10x or higher.

PRICE RANGE

Advertising spend \$300 - \$2,000+ per month, Service fees \$200 - 500+ per month

OTA Advertising

Online Travel Agencies (OTAs) sparked the online booking trend when they launched in the early 2000s. Even with the rise of metasearch, OTAs are still a dominant player in the field. OTAs such as Booking.com, Expedia and Priceline.com allow hotels to have listings that include photos, hotel information and features, room rates and availability, and reviews. Because of their prominence, OTAs are an effective part of the marketing mix, even if they typically command commission rates ranging between 15-25%.

HOW IT FITS IN YOUR BUDGET

Much like PPC advertising, your hotel has the ability to leverage your corporate marketing group or an agency to run an OTA campaign. An agency can leverage the available targeting and provide custom reporting and recommendations for optimal performance.

WHY IT MATTERS

The two largest OTAs, Booking.com and Expedia, spent roughly \$5 billion each on marketing costs last year, a large chunk of which goes to Google for advertising. Hotels might be competing with OTAs for online attention, but they are also a worthwhile partner. OTAs accounted for 24% of gross bookings in the U.S. in 2021, up from a 20% share in 2020.

PRICE RANGE

Advertising spend \$200 - \$600+ per month, Service fees \$200 - 300+ per month

The screenshot displays the Booking.com interface for a search in Yarmouth, Massachusetts. The search criteria are: Destination/property name: Yarmouth; Check-in date: Friday, October 7, 2022; Check-out date: Tuesday, October 11, 2022; Stay: 4-night stay; Guests: 2 adults, 0 children, 1 room. The search results show 7 properties found, with 181 properties outside Yarmouth. The top two results are:

- Chapter House**: Yarmouth · Show on map · 0.7 miles from center · Beach Nearby. Standard Queen Room, 3 beds (2 twins, 1 queen), 4 nights, 2 adults, \$1,356. Very Good 8.3 (116 reviews). Free cancellation. Only 1 room left at this price on our site.
- Liberty Hill Inn**: Yarmouth · Show on map · 1.4 miles from center · Beach Nearby. Queen Room - Disability Access, 4 nights, 2 adults. Exceptional 9.8 (56 reviews). Location 9.5.

Onsite SEO

Alongside technical SEO, your hotel website's onsite SEO is critical. When search engines crawl your website, they focus on the page titles, meta descriptions, headings and keywords. Search engine optimization is all about driving traffic to your website, and an SEO expert can ensure your pages are utilizing high-volume keywords and on-site best practices to improve your ranking across search engines.

HOW IT FITS IN YOUR BUDGET

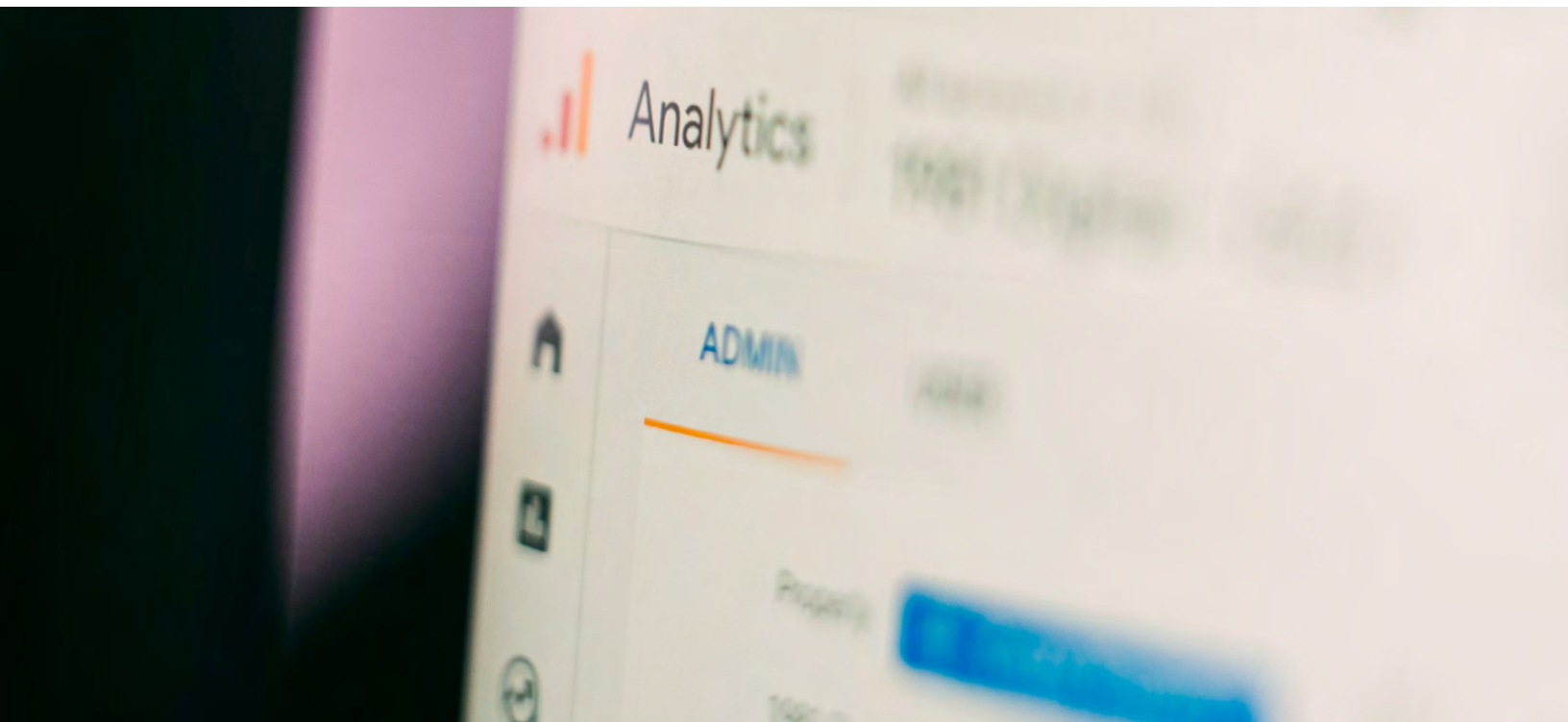
A hospitality marketing agency can help ensure your hotel has a strong Brand.com and off-site SEO strategy. Just because you're using a templated Brand.com website doesn't mean you aren't able to optimize your pages for keyword performance, and a strategist can help.

WHY IT MATTERS

Traffic on Google drops 95% from page one to page two and less than 1% of search engine users click a result on the second page. Ignoring PPC ads and featured snippets, users click the top organic result 27.6% of the time. Again, search is all about real estate and optimizing your website for SEO can help push your website higher in the results and drive more traffic.

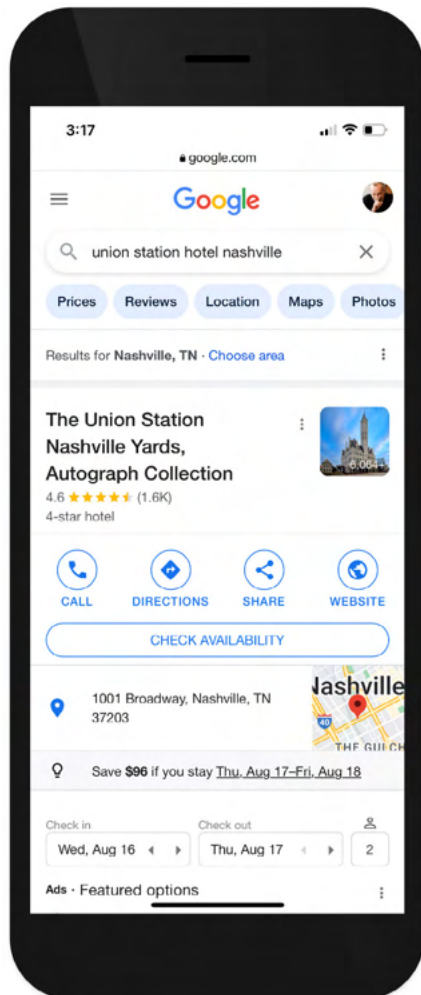
PRICE RANGE

\$2,000 - \$6,000 annually, depending if one-time or ongoing



Local SEO

This is a broken record by now but ... organic traffic is all about real estate, real estate, real estate. Many of the marketing tactics serve the purpose of claiming that prime location on the top half of Google and other search engines. Google My Business is a key component of that. Having an optimized Google My Business panel is the No. 1 way to improve your local SEO ranking. A local SEO plan can help ensure you have a review monitoring strategy and allows you to showcase your hotel's story and amenities.



HOW IT FITS IN YOUR BUDGET

Google My Business is a free tool all hotels should be utilizing. As a branded hotel, your hotel location should be claimed, and you can leverage your corporate program to assist with keeping your GMB listing up-to-date and optimized.

WHY IT MATTERS

Reviews are a primary decision factor for travelers and claiming your Google My Business listing allows your hotel to stay on top of them. More importantly, when your hotel has a Google My Business panel, it gives your property prime location right next to your PPC and metasearch ads and organic search results. The more opportunities, the better the chance to drive bookings.

PRICE RANGE

\$2,500 annually

Email Marketing

Email marketing is a powerful and cost-effective marketing tool when used right. One of the biggest advantages of a direct booking (outside of eliminating commissions) is the ability to cultivate a lifelong relationship with the guest. You have their information, giving you the ability to engage them with personalized and loyalty-driven marketing content.

HOW IT FITS IN YOUR BUDGET

Agencies can now assist branded hotels with developing their email marketing strategies. An outside agency can help you take advantage of email data, lists and tools your system has to offer.

WHY IT MATTERS

The average email open rate for the travel industry is 20%, which allows hospitality marketers a strong opportunity to reach their audience with updates and offers. People receive dozens of emails each day, so drafting a marketing email and hitting send isn't sufficient. To make email marketing work, you need a strategy that makes your subject lines and emails stand out in an increasingly crowded inbox filled with junk.

PRICE RANGE

\$2,000 for template design, \$500 - \$700 per deployment



Social Media Management

In today's landscape, it's important for hotels to listen, engage, and use social media to their best advantage. Social media channels such as Facebook, Instagram, LinkedIn, and TikTok among others can help your hotel reach different audiences and demographics. Want to reach a Gen Z traveler? Instagram can drive engagement. Looking for a business traveler? They spend a lot of time on LinkedIn.

HOW IT FITS IN YOUR BUDGET

Hospitality marketers can use a number of tools like Hootsuite to schedule out social media posts in a cost-effective way. While your corporate marketing group can help with social media assets, you also have the ability to utilize an agency to create a unique plan that stands out. Many branded hotels work with an agency to put

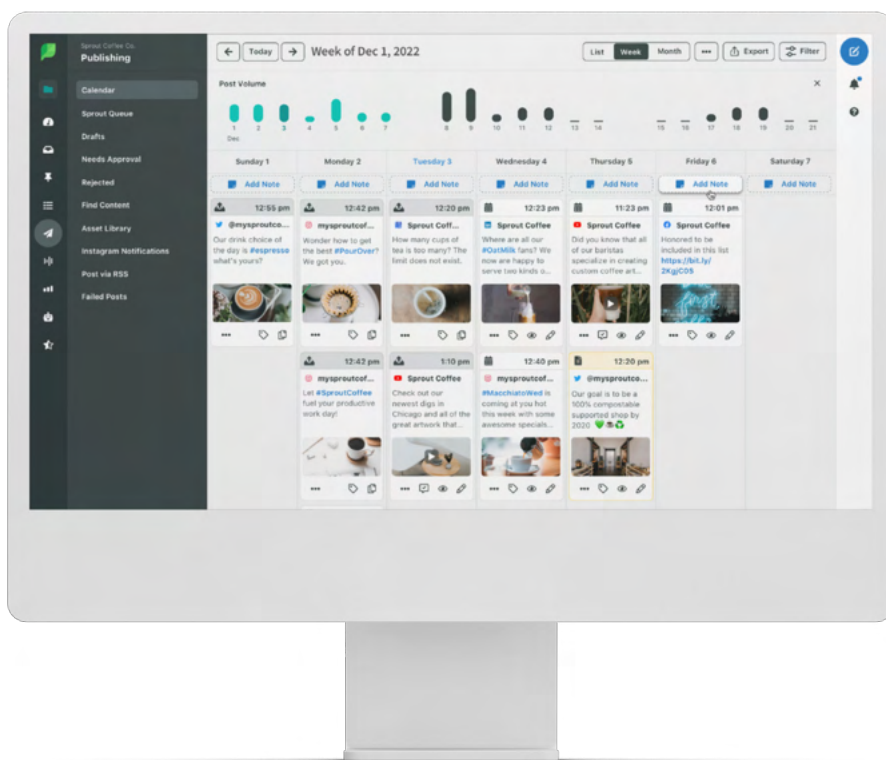
together a unique strategy with custom ad creatives and messaging that allows their hotel to stand out from the rest.

WHY IT MATTERS

1 in 3 travelers turn to social media for travel inspiration. Marketing is all about reaching your audience where they are, and Facebook, Instagram, LinkedIn and other social media networks can help you showcase your property across different segments, from younger generations to businesspeople.

PRICE RANGE

\$9,000 - \$27,000 annually, depending on channels and frequency



Social Media Advertising

Reaching younger audiences is a great way to drive direct bookings that might be missed on other advertising channels. While social media advertising on Facebook, Instagram and other platforms doesn't command the status that more popular channels like OTA, metasearch and PPC do, it should be strongly considered depending on your ideal audience and the size of your budget.

HOW IT FITS IN YOUR BUDGET

If your hotel has ad spend, social media can be an effective strategy. Your corporate program can assist with social media advertising, or you can partner with a marketing agency to ensure your hotel has a one-of-a-kind plan in place and is effectively targeting your ideal audience and using your ad dollars in the most efficient way possible.

WHY IT MATTERS

Many travelers discover destinations or have their next trip inspired by posts and photos they see on social media. Social media can allow your hotel to target specific locations, age groups and interests to effectively reach your desired target.

PRICE RANGE

Advertising spend \$200 - \$600+ per month, Service fees \$200 - 300+ per month



Display Advertising

PPC, OTA and metasearch advertising tactics draw attention in the hospitality industry, but display advertising can still play an important role. Display advertising serves two primary purposes for hotels: Brand awareness and retargeting travelers who have visited your website. The strategy helps your hotel diversify its marketing mix and works in tandem with other advertising tactics.

HOW IT FITS IN YOUR BUDGET

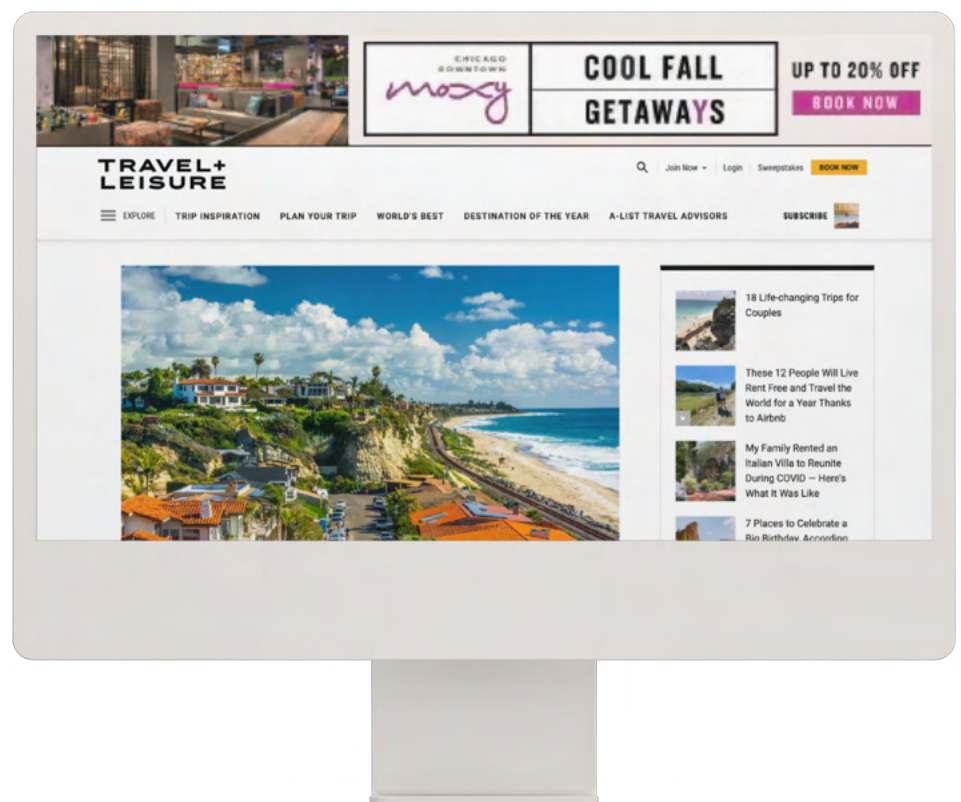
If your ad budget allows, display advertising can be an effective way to keep your hotel top-of-mind. Google Ads allows for easier entry into display advertising, but you may want to work with a partner to design graphics that convert more effectively and build out a campaign with strategic targeting and technical setup.

WHY IT MATTERS

There is some data that shows display advertising gaining quickly on search ads in the world of mobile devices and mobile apps. Nothing is more important to a hotel than allowing a guest a glimpse at your hotel and display ads offer the ability to showcase your hotel's brand and personality.

PRICE RANGE

Advertising spend \$200 - \$600+ per month, Service fees \$200 - 300+ per month



Vanity Website

There is no doubt that a Brand.com website serves its purpose, but with limited flexibility, the cookie-cutter templates can limit the ability for your hotel to showcase its unique personality and enhance its discoverability. Many branded hotels have created vanity websites to help stand apart—even from hotels in their same brand portfolio. A vanity website can be used to showcase a specific area of a hotel property such as a restaurant, meetings and events areas, a wedding venue, or your entire hotel. Not only do they help separate your hotel, but a vanity website also helps with SEO, engaging tools like virtual tours, and more.

HOW IT FITS IN YOUR BUDGET

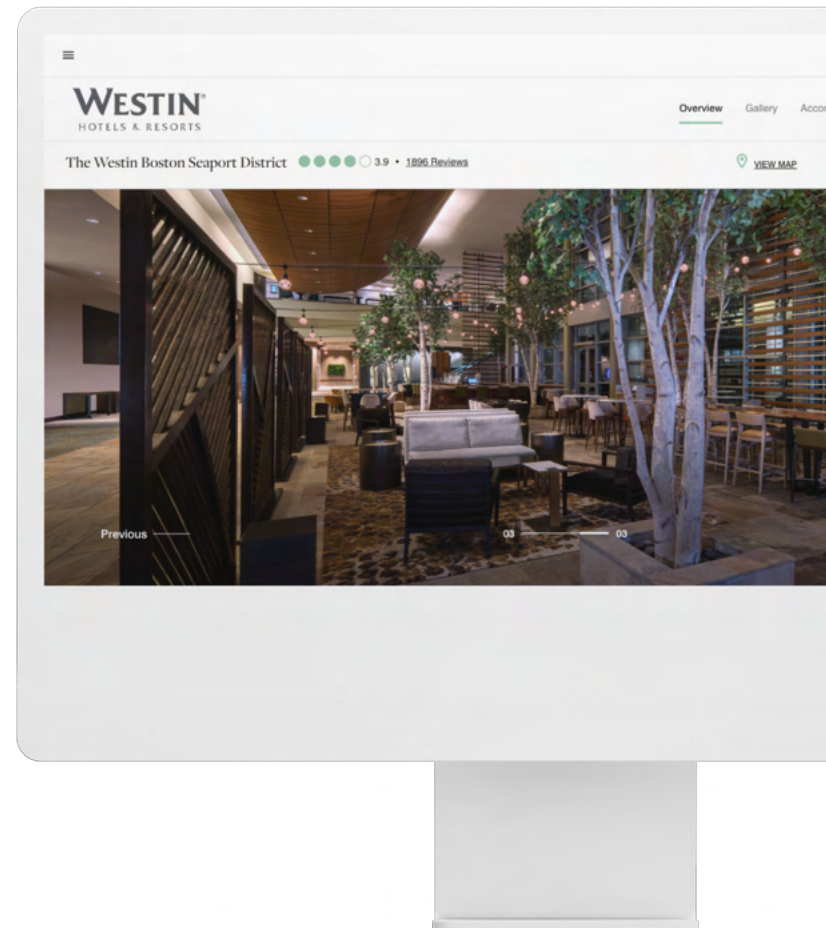
Many hotel brands allow hotels in their portfolio to have a vanity website separate from their Brand.com websites. As a Hilton, Hyatt, IHG or Choice hotel, you have the ability to take advantage of a vanity website to separate your hotel from the crowded field. Marriott, meanwhile, allows hotels in its Autograph, Tribute and Luxury Collection to utilize vanity websites. A marketing agency can help your hotel design and develop a custom website.

WHY IT MATTERS

A vanity website allows you to present yourself in a unique way and differentiate your property from not only your competitors—other brands and independent hotels—but even within your own brand. A vanity website can help separate you from the competition overall and demonstrate to the consumer what makes you unique and different.

PRICE RANGE

\$10,000-\$25,000



Special Considerations for Independent Hotels

As an independent hotel owner, you know how much marketing is essential to your success. And now is the time to begin earmarking your resources for the coming year.

We'll walk you through the key strategies that you need to consider, and provide tips on how to allocate your budget effectively. We'll also cover some of the latest trends in hotel marketing, so that you can stay ahead of the competition.

Website Design

How old is your hotel website? If the answer is 3+ years, you might want to consider a redesign in 2023. Even if your website is brand new, it isn't a bad idea to allocate some of your marketing budget to ensure it stays fresh or to add new functionality that will keep you relevant. Your website is your No. 1 salesperson. It's the first impression you make on a guest—even before they step foot inside your hotel. What experience is your current website offering guests?

HOW IT FITS IN YOUR BUDGET

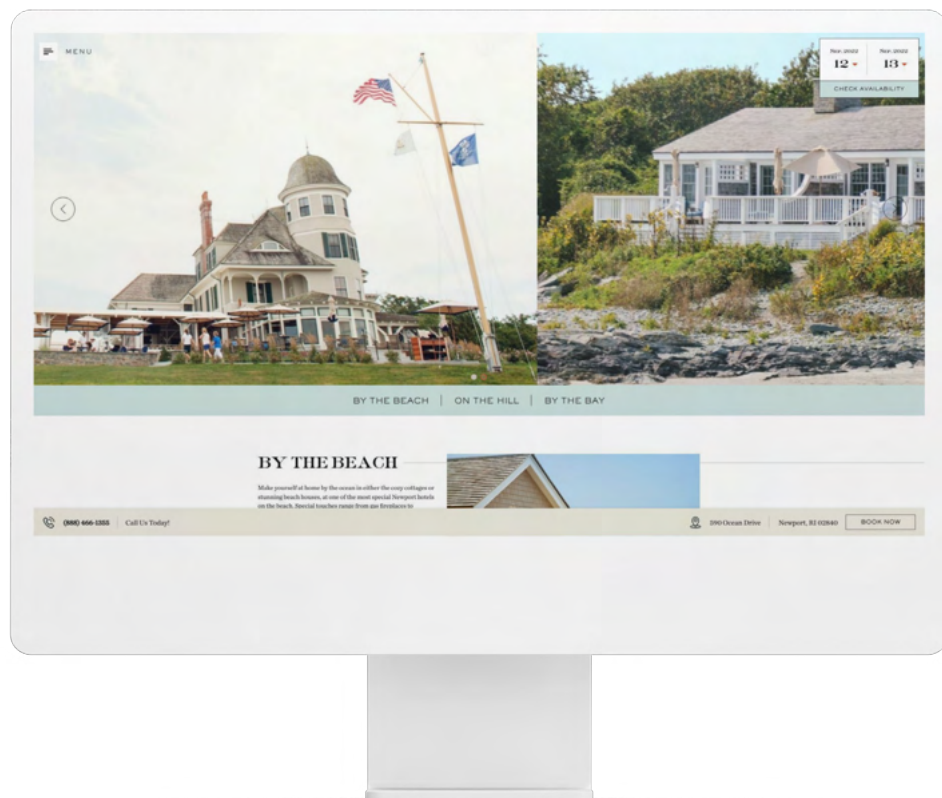
As an independent hotel, it can be difficult to embark on a website redesign or update alone, especially from a technical and compliance perspective. A strategic hospitality agency can ensure your website is technically sound and built to succeed in the mobile world.

WHY IT MATTERS

83% of U.S. adults prefer to book their trips online, and an estimated 700 million people are expected to make a booking online by 2023. More than ever before, the entire customer journey—from research to booking—is happening without human interaction. That is especially true on mobile, a place marketers should prioritize. According to StratosJets, 70% of all customers do their research on a mobile device.

PRICE RANGE

\$15,000-\$25,000



Technical SEO

So often, marketers think of Search Engine Optimization (SEO) only as a keyword tool for Google, Bing and other search engines. But it's so much more. In fact, technical SEO is just as important as keywords. Technical SEO refers to optimizing your hotel website for search engine crawlers. While this includes several factors, especially important are page speed, accessibility, sitemap indexing, and user experience.

HOW IT FITS IN YOUR BUDGET

There are a number of online resources that can help you see how your website is performing from a technical SEO perspective. You may be able to fix some of the issues yourself, but a website partner may be required to assist depending on the errors you uncover.

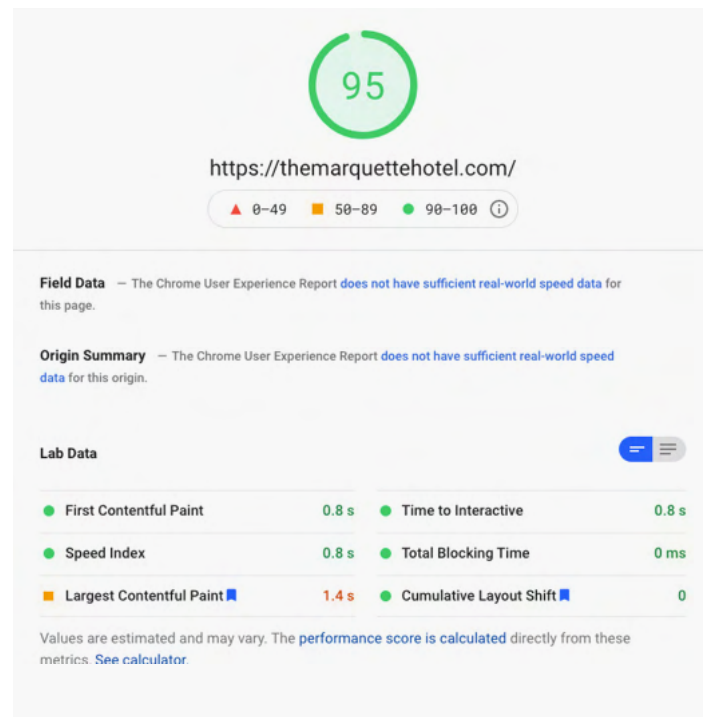
WHY IT MATTERS

Google now largely determines your hotel website's page rankings based on mobile-first indexing, most specifically page speed and page experience. How fast does your hotel website load? You might be surprised by what could be holding your scores back.

Page loading time, metadata, sitemap size, and more can all impact your technical SEO and how search engines view your hotel's website.

PRICE RANGE

\$2,000 - \$6,000 annually, depending if one-time or ongoing



SEO Content Creation

Ranking for your branded or local keywords is critical, but you shouldn't lose focus of long-tail keywords. Long-tail keywords are generally phrases made up of three to five keywords that tend to have lower search volume but attract more high-quality traffic. With a blog or other resources, your hotel website is able to target these niche keywords such as 'Hotels near Fenway Park' or 'What Hotels in Chicago Allow Dogs' with content about things to do in your city, places to eat, or family friendly attractions nearby.

HOW IT FITS IN YOUR BUDGET

Content creation can be done in-house with the proper strategy. Hoteliers can use keyword research to see what terms might make for a good blog article and effectively drive traffic. A marketing agency can help develop the

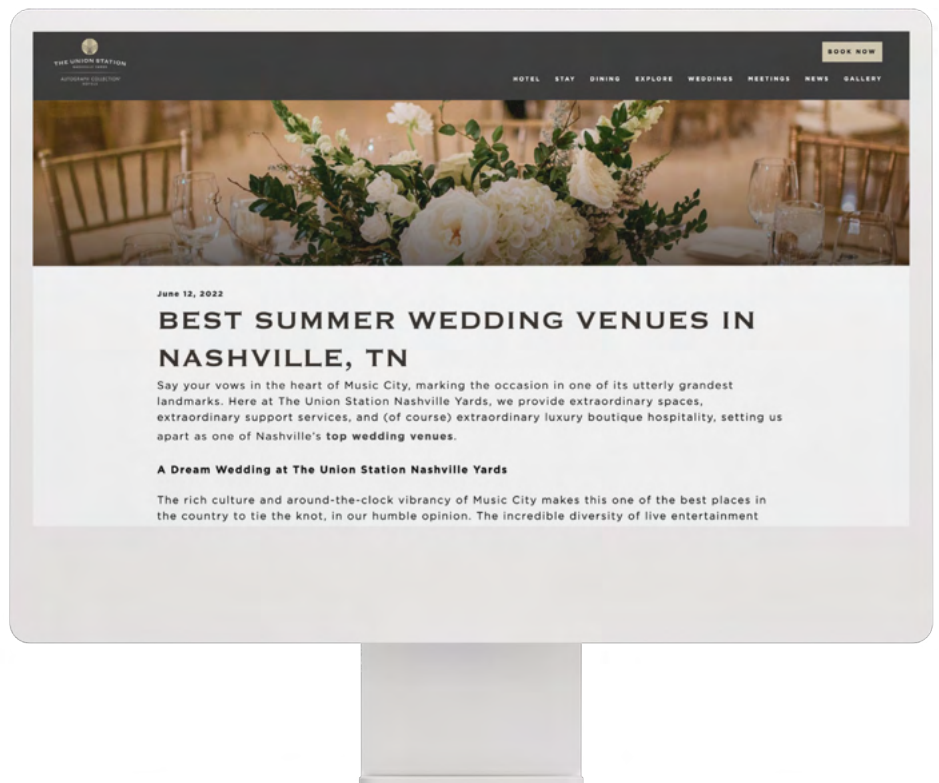
proper tools and put together a strategy for topics and keywords as well as provide an SEO focused writer.

WHY IT MATTERS

Believe it or not, the majority of online searches are actually specific and unpopular in terms of search volume. An analysis of 306 million keywords showed that 91.8% of all search queries are long-tail keywords. With a content strategy, you can not only provide travelers with engaging information but also help your hotel website show up on those more niche search phrases.

PRICE RANGE

\$2,500 - \$5,500 annually



Email Marketing

Email marketing is a powerful and cost-effective marketing tool when used right. One of the biggest advantages of a direct booking (outside of eliminating commissions) is the ability to cultivate a lifelong relationship with the guest. You have their information, giving you the ability to engage them with personalized and loyalty-driven marketing content.

HOW IT FITS IN YOUR BUDGET

When done right, your CRM should provide insight into your email data, allowing you to segment lists and build customized email campaigns. If your hotel needs help connecting your data, developing strategic campaigns or designing templates, a marketing agency can offer resources and experience.

WHY IT MATTERS

The average email open rate for the travel industry is 20%, which allows hospitality marketers a strong opportunity to reach their audience with updates and offers. People receive dozens of emails each day, so drafting a marketing email and hitting send isn't sufficient. To make email marketing work, you need a strategy that makes your subject lines and emails stand out in an increasingly crowded inbox filled with junk.

PRICE RANGE

\$2,000 for template design, \$500 - \$700 per deployment



Booking Abandonment

You have invested significant time, effort and money into attracting potential guests to visit your hotel website. But what if they come directly to your site and stop mid-way through booking their stay? That's someone who is more promising than any cold lead that never made it this far.

A booking abandonment campaign that reaches these potential customers can convert them into booked guests more than 20 percent of the time, especially if it's within the first 30 minutes.

HOW IT FITS IN YOUR BUDGET

An abandonment campaign delivers substantial ROI without additional staff. Technology on your website collects important information such as email addresses, phone numbers, pages viewed, dates entered and

so forth. The system can then send them a series of personalized emails, SMS texts and push and pop-up reminders encouraging them to come back.

WHY IT MATTERS

According to SaleCycle, travel has the second-highest abandonment rate at 82%, second only to airlines (87.9%). Studies show that \$4.6 trillion in purchases is abandoned across all online shopping but that \$260 billion of that is recoverable with the help of abandonment campaigns.

PRICE RANGE

\$2,500 - \$6,000 annually



Conversational Marketing

Conversational marketing is no longer just a chatbot. With the right tools, your hotel can take conversational marketing to the next level with automated real-time conversations. Instead of making guests fill out a lead gen form and wait for a response, intelligent chatbots allow you to engage prospects on your website whenever they're ready. This tactic makes it easier for wedding planners and businesses to get the information they need or book a site tour, increasing conversions and shortening the sales cycle.

HOW IT FITS IN YOUR BUDGET

Building out automated real-time conversation tools takes the work of a developer. A marketing strategist can guide the process and build out the tools for your hotel website. While it is an investment, conversational marketing tools can pay dividends in the long run by converting more and better leads.

WHY IT MATTERS

Automated real-time conversations and other conversational marketing tactics can be a great way to answer people's questions in a more efficient and instant manner, 24 hours a day and 7 days a week. By incorporating conversational marketing on your hotel website, you can engage them, qualify them and allow them to book a tour in a matter of minutes, significantly cutting down on the sales cycle. According to Forrester Research, nearly two-thirds of people will no longer wait more than two minutes for assistance. With conversational marketing, they don't have to wait for that follow-up email.

PRICE RANGE

\$30,000 annually



Strategic Hospitality Marketing

With more than 20 years of hospitality marketing experience, O'Rourke uses a comprehensive and strategic approach to help both independent and branded hotels take their digital marketing to the next level. We create an online presence for your brand that captures guests from their initial online engagement with you and seamlessly transitions them to your real-world experience.



To discuss your business challenges and see how we can help, please contact:

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