

# Planning Your 2022 Marketing Budget for the Hospitality Rebound

BRANDED HOTELS

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# Preparing Your Marketing Budget for the Year Ahead

If you're like most hospitality marketers, your marketing budget was likely scrapped in early 2020 and then unsettled in 2021. After the worldwide pandemic battered hotels and forced marketers to rethink their strategy, the industry has adapted to the 'new normal.' Travelers have followed suit, returning in droves to increase occupancy rates and push the industry through recovery.

Trying to put together a marketing strategy without a budget can be challenging. Creating brand awareness and driving direct bookings without a clear plan in place makes it difficult to plan long-term, set goals and stay on track financially. Successful hospitality marketing can't be done on a whim. Thankfully, 2022 appears to be the year of the hospitality rebound. According to the American Hotel & Lodging Association, hotel room occupancy is expected to reach 52.5% by the end of 2021 and hit 61.4% and sell 1.23 billion rooms in 2022, nearing 2019 numbers. One thing is clear moving forward: **The hospitality industry has pushed past recovery mode and into a rebound.**

As the rebound presses on, it's time to reflect on what marketing strategies make sense for your hotel and put together a 2022 budget that will help ensure your hotel is part of the rebound.

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 revive your bookings, you need a diverse marketing mix. As you plan your budget, we've put together a guide of marketing tactics and strategies you need to know about and broken them down into three categories:

**Must Have, Strongly Consider, Nice to Have.**

*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.**

## 1. WHAT ARE YOUR HOTEL'S 2022 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 2022? 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.

## 2. WHAT ARE YOUR CURRENT OPERATING COSTS?

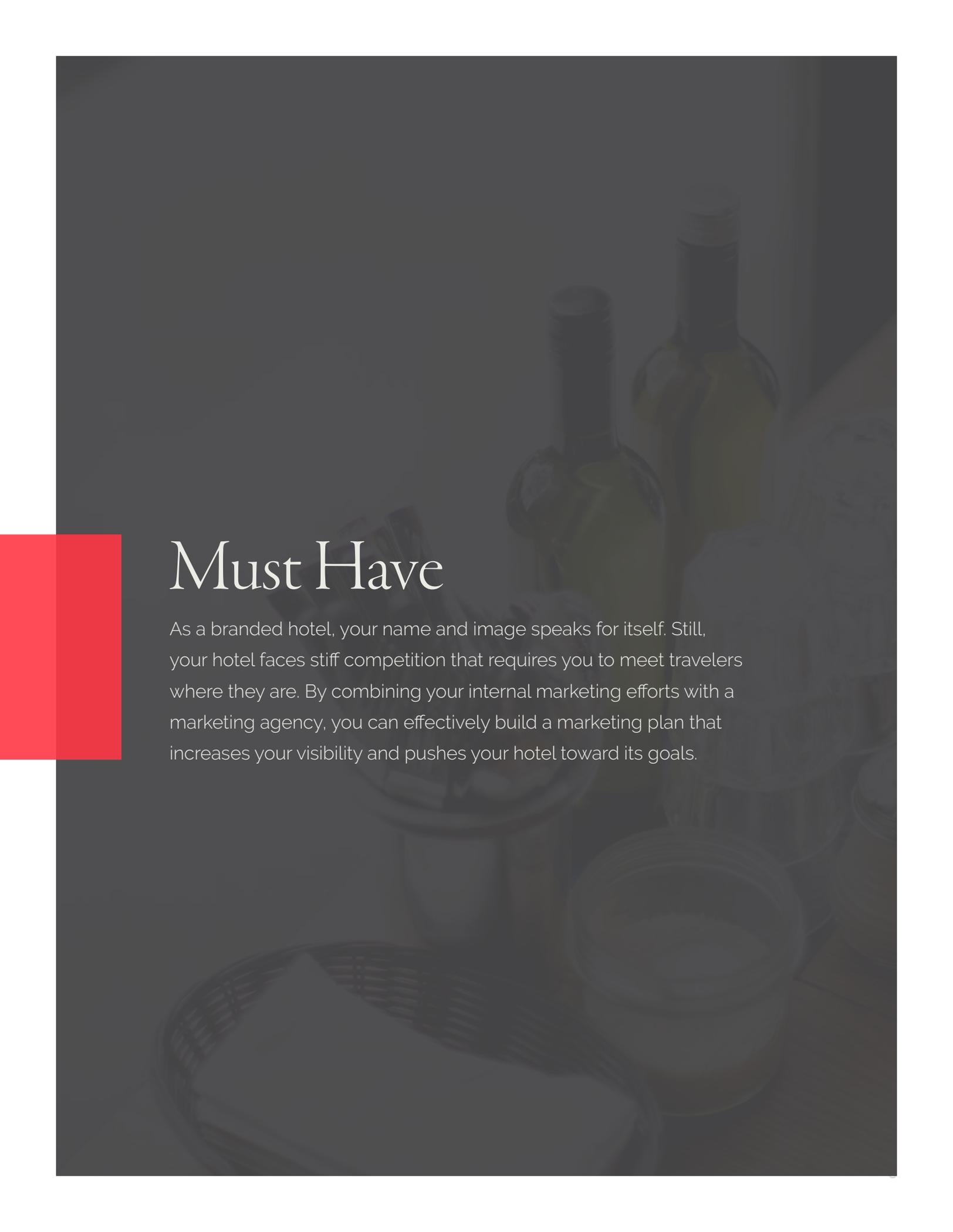
Before you start allocating your marketing budget, it's important to have a clear picture of what you have to spend. To begin putting your budget together, first determine costs that are locked in, including:

- 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.

## 3. 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.



# Must Have

As a branded hotel, your name and image speaks for itself. Still, your hotel faces stiff competition that requires you to meet travelers where they are. By combining your internal marketing efforts with a marketing agency, you can effectively build a marketing plan that increases your visibility and pushes your hotel toward its 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 page results (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 5.6 billion searches each day. According to data, 28.5% 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.

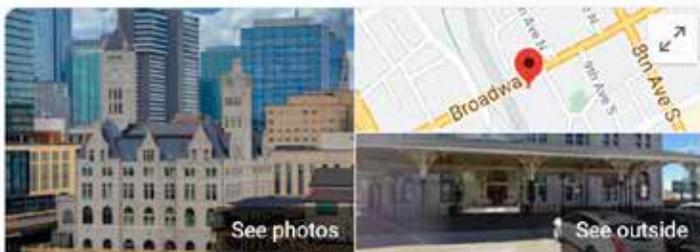
## PRICE RANGE:

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

The screenshot shows a Google search for "historic nashville hotel". The search bar contains the text "historic nashville hotel" with a clear button (X), a voice search button (microphone), and a search button (magnifying glass). Below the search bar are navigation options: "All" (selected), "Maps", "Images", "News", "Shopping", and "More". A "Tools" button is on the right. The search results show "About 16,200,000 results (0.91 seconds)". The top result is an advertisement for "Union Station Nashville - Nashville Historic Hotel." with the URL "https://www.unionstationhotelnashville.com/". The ad text reads: "Indulge in a Grand Getaway While Enjoying Our Historic Hotel's Unique Charm. Book Online." Below the ad are two columns of links: "Rooms & Suites" (Explore Our 125 Finely Appointed Guest Rooms & Suites.) and "Special Offers" (Enjoy Our Selection of Exclusive Packages & Savings.).

# 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

Expedia.com **\$249** >

Priceline **\$249** >

The Union Station Nashville Yards, Autograph Collec... **\$249** >  
Official site

Hotels.com **\$249** >

[View more rates](#) from **\$249**

### HOW IT FITS IN YOUR BUDGET:

To take advantage of metasearch, you'll 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. While agencies aren't able to assist branded hotels with metasearch platforms, it's still an important tool to utilize.

### WHY IT MATTERS:

Metasearch now reportedly accounts for 45% of global online travel traffic, in large part thanks to Google Hotel Ads. 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 \$150 - \$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. Recent data suggests nearly 40% of digital bookings are done through OTAs.

## PRICE RANGE:

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

The screenshot shows the Expedia website interface. At the top, there's the Expedia logo and navigation links for 'Stays', 'Flights', 'Cars', 'Packages', 'Things to do', and 'More travel'. Below that, a search bar is filled with 'Great Barrington, Massachusetts, United St...', with check-in on 'Sep 21' and check-out on 'Sep 24'. The search results are sorted by 'Recommended'. The first result is 'Fairfield Inn & Suites by Marriott Great Barrington Lenox/Berkshires' with a price of \$152 per night. A second result is 'Days Inn by Wyndham Great Barrington'.

# 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:

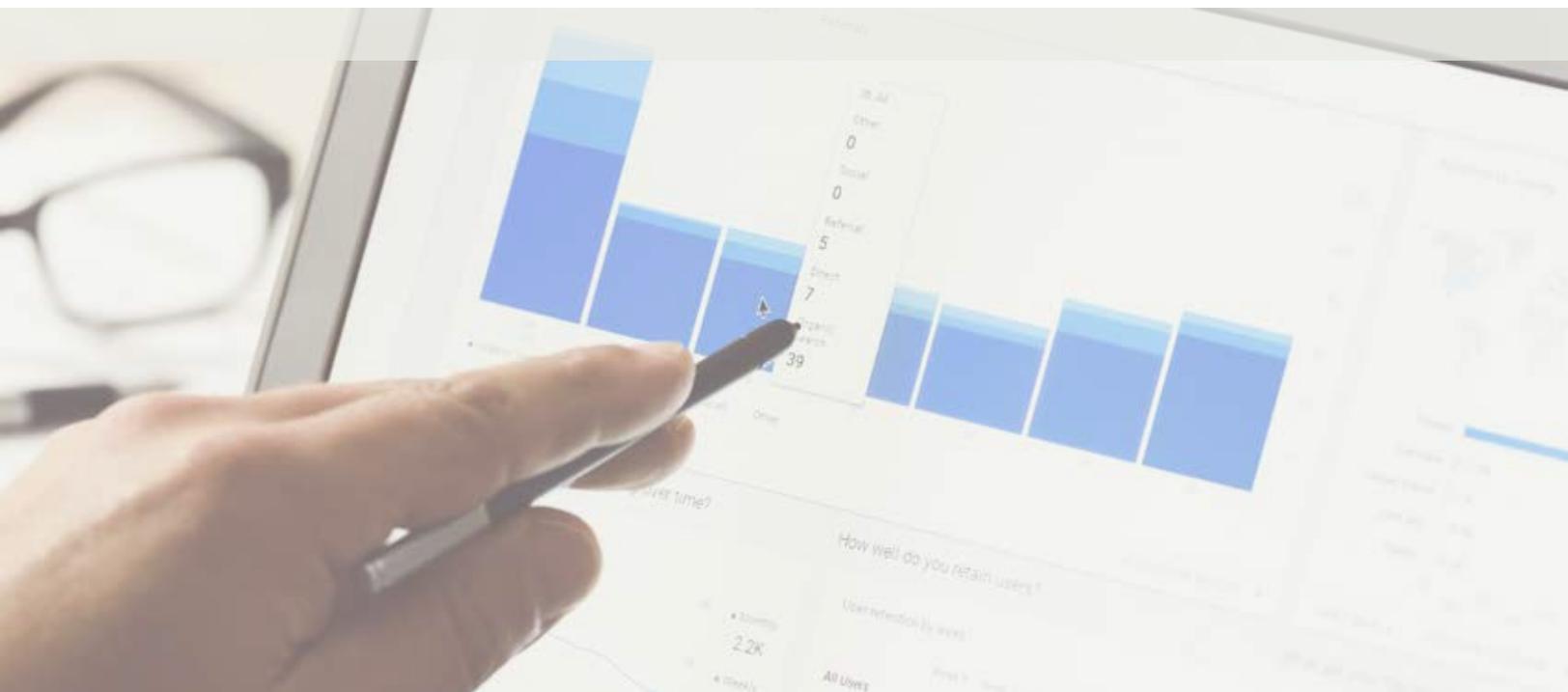
A hospitality marketing agency can help ensure your hotel has a strong Brand.com and off-site SEO strategy. Just because you're using a templated Brand.com website doesn't mean you aren't able to optimize your pages for keyword performance, and a strategist can help.

## 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 34.2% 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.

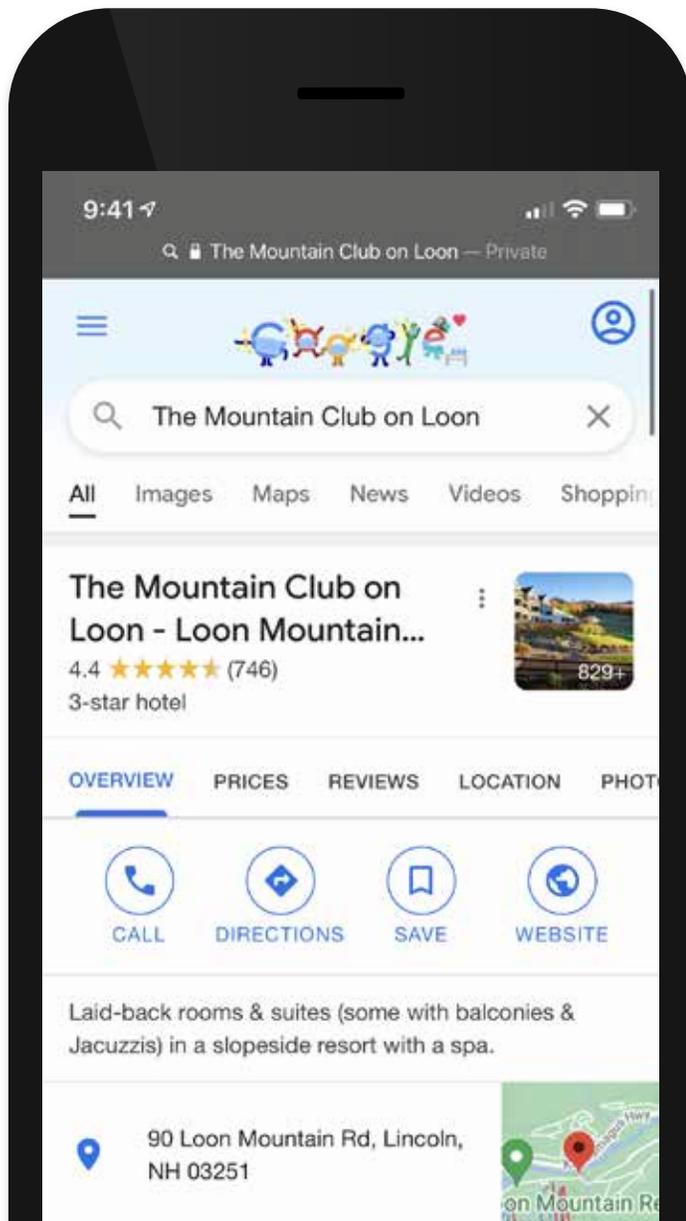
## PRICE RANGE:

\$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 'must have' 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:

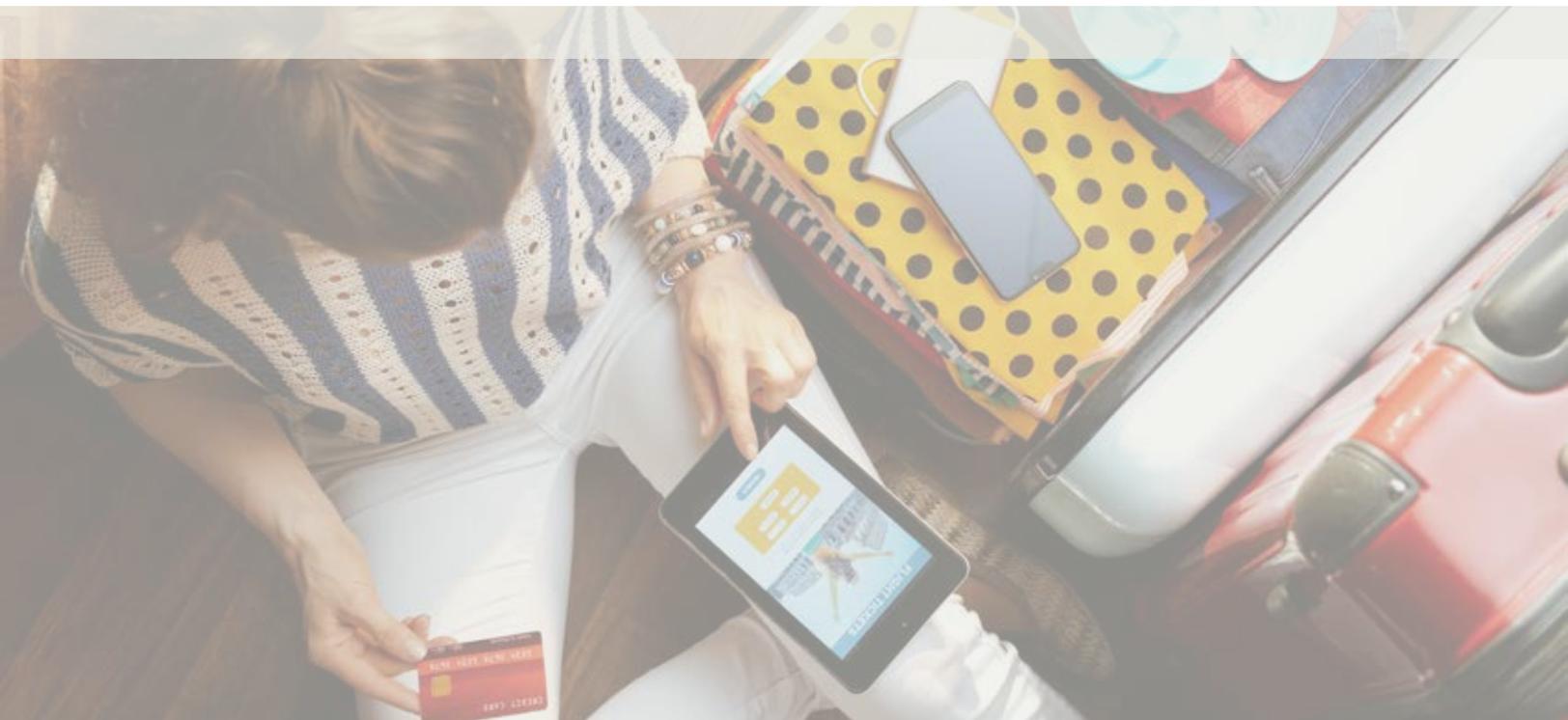
Marriott (MDS), Hilton (ECG), Hyatt (DMP) and other brands all require you to work with your corporate group for email marketing. You should use your internal resources to take advantage of the email data, lists and tools your corporate system and tools have to offer.

## WHY IT MATTERS:

The average email open rate for the travel industry is 25.9%, 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





# Strongly Consider

Depending on your hotel's marketing budget, there are several tactics that can be effective for brand awareness, communicating with both current and prospective guests, and showcasing your hotel to an expanded audience. These marketing efforts should be strongly considered depending on your ultimate goals and overall budget.

## STRONGLY CONSIDER

# 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 Twitter 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:

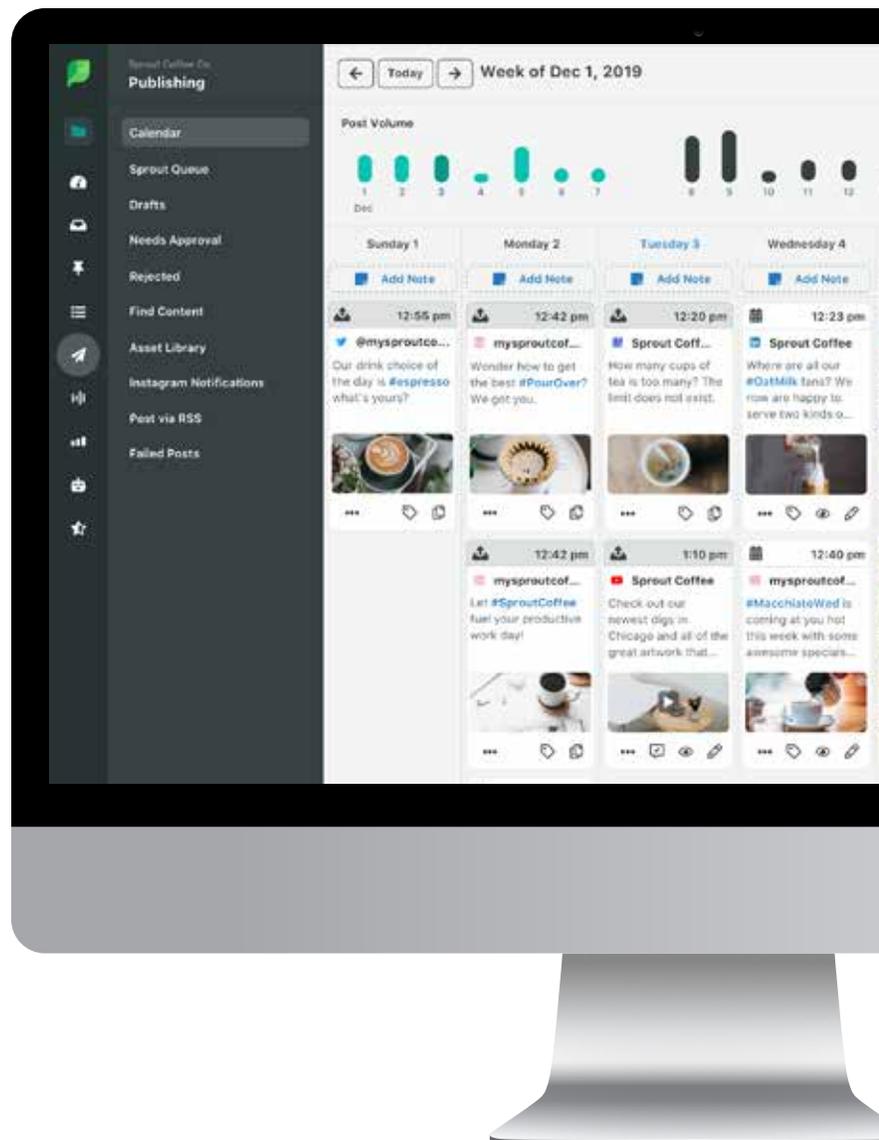
Hospitality marketers can use a number of tools like Hootsuite to schedule out social media posts in a cost-effective way. While your corporate marketing group can help with social media assets, you also have the ability to utilize an agency to create a unique plan that stands out. Many branded hotels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

Nearly 4 billion people worldwide are on at least one social media account, and a 2019 study found that 86% of people became interested in a location after seeing content on social media. 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 'must have' 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:**

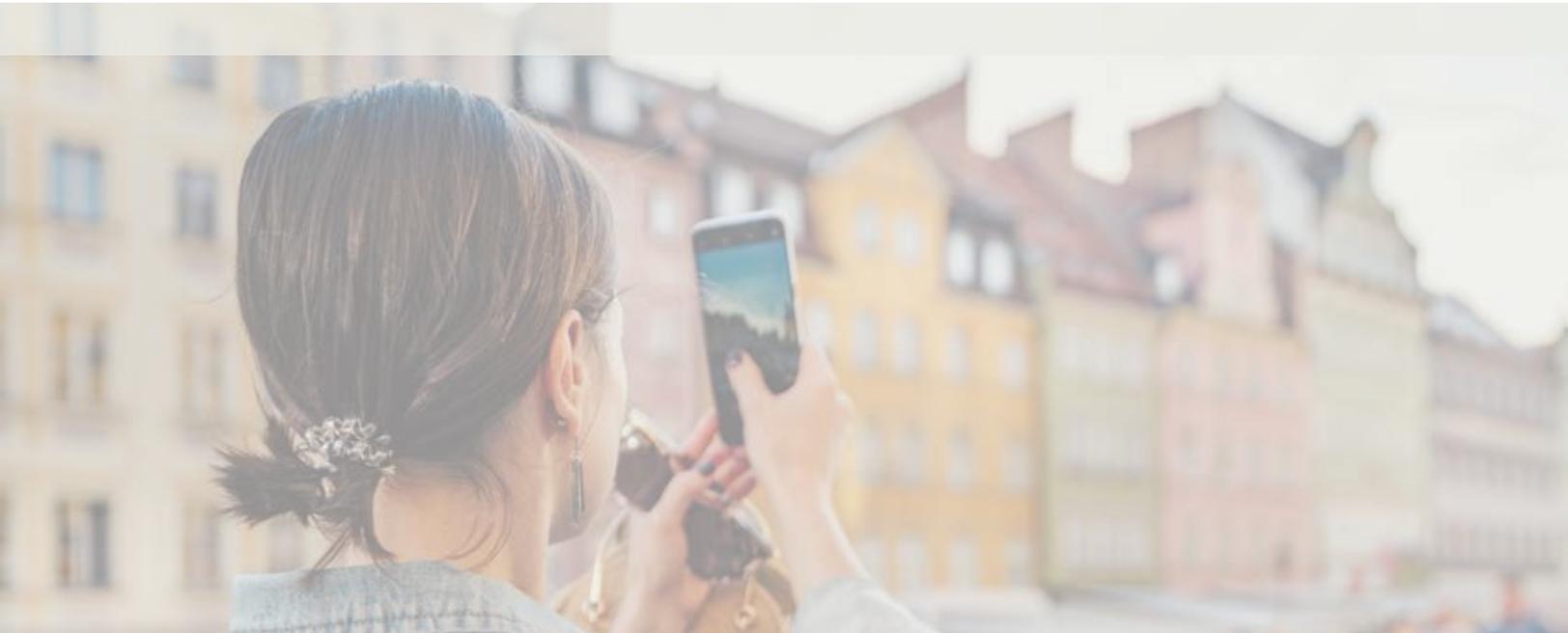
If your hotel has ad spend, social media can be an effective strategy. Your corporate program can assist with social media advertising, or you can partner with a marketing agency to ensure your hotel has a one-of-a-kind plan in place and is effectively targeting your ideal audience and using your ad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

## HOW IT FITS IN YOUR BUDGET:

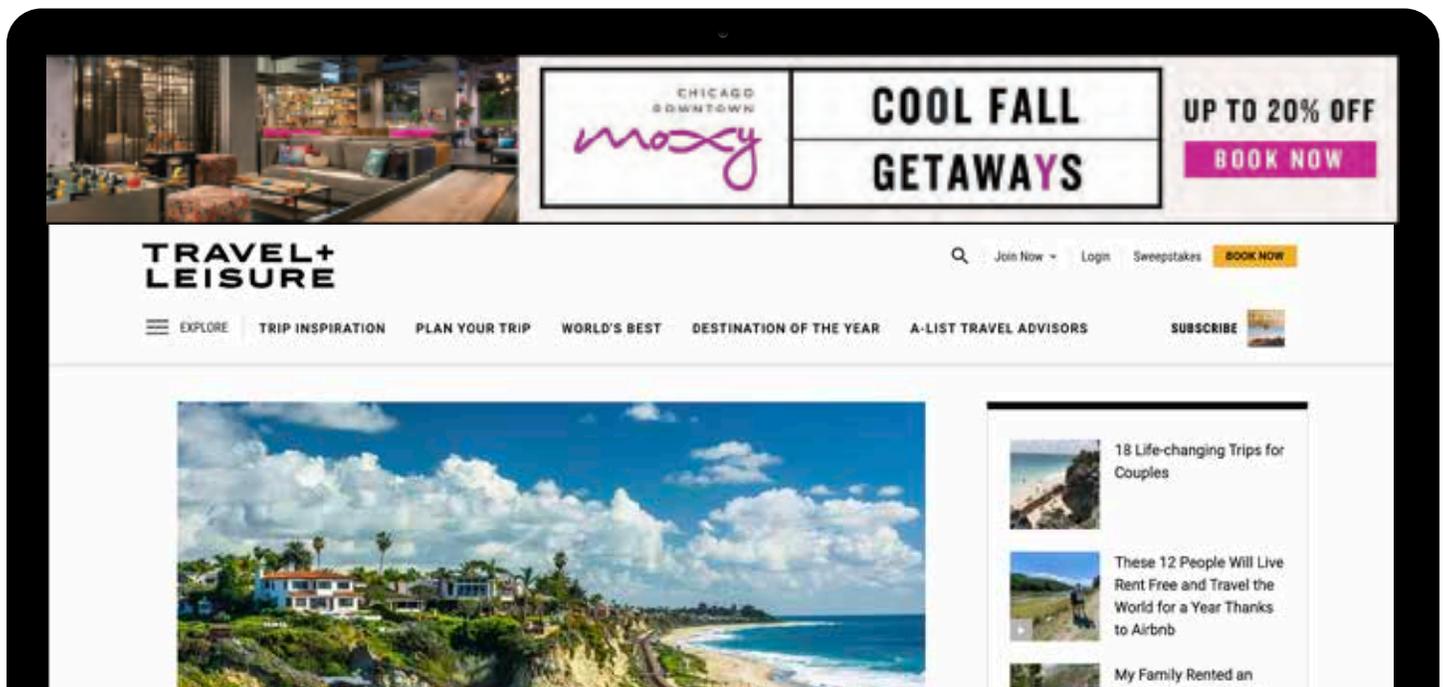
If your ad budget allows, display advertising can be an effective way to keep your hotel top-of-mind. While you can leverage your corporate program, many branded hotels work with a marketing agency when looking for additional ad creatives outside of the corporate branding. An agency can help your hotel stand out by creating custom creative and a strategy unique to your hotel.

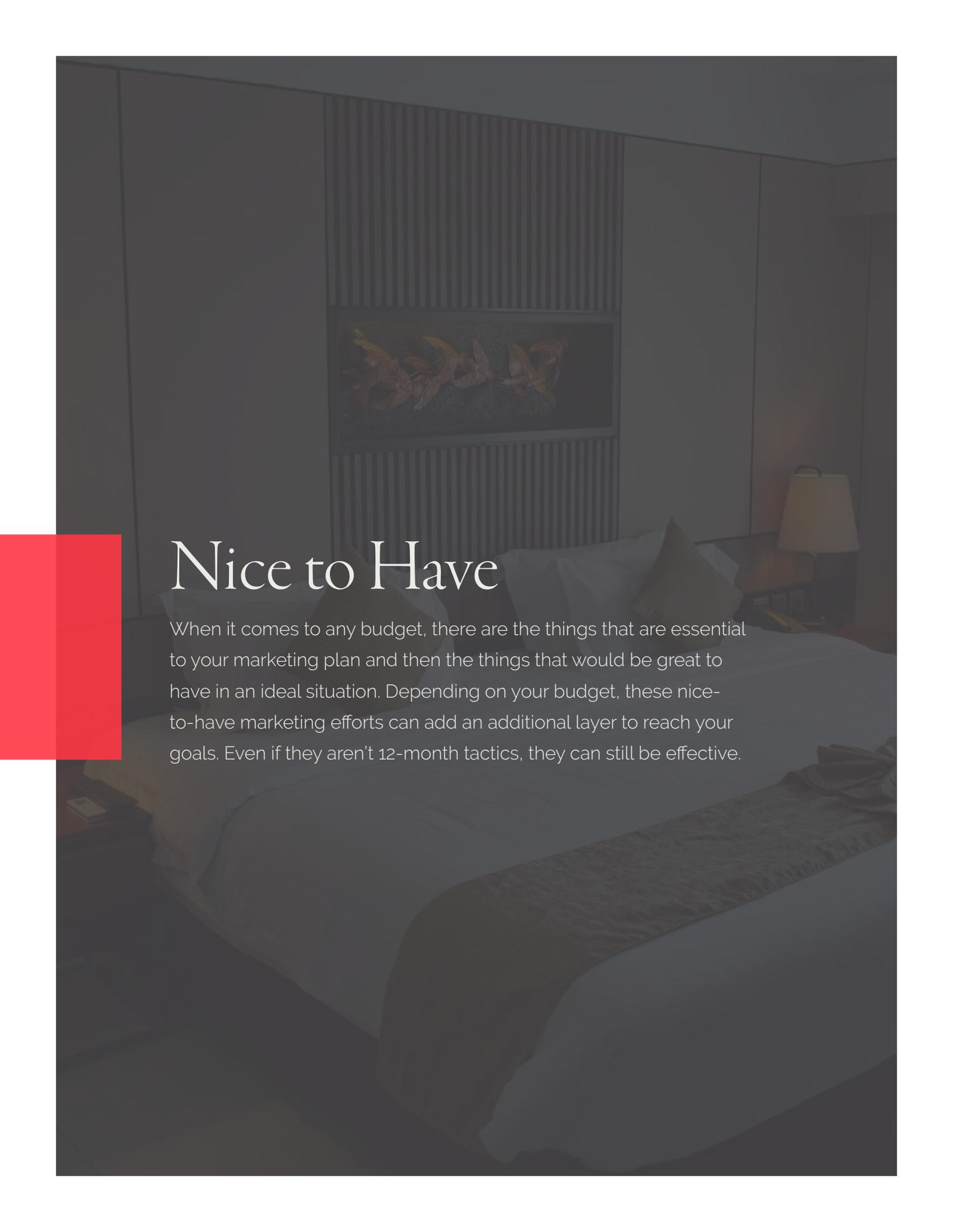
## WHY IT MATTERS:

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





# Nice to Have

When it comes to any budget, there are the things that are essential to your marketing plan and then the things that would be great to have in an ideal situation. Depending on your budget, these nice-to-have marketing efforts can add an additional layer to reach your goals. Even if they aren't 12-month tactics, they can still be effective.

# 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:

According to Google's annual Travel Customer Journey study, 95% of travelers visit travel-related sites after booking, and 74% of travelers re-research their trip after booking, leading to 8% who cancel and re-book. Meanwhile, 47% of travelers decided not to book because of unmet needs. A vanity website can help your hotel stand apart from other hotels with the same Brand.com look and feel, not to mention the enhanced benefits including SEO.

## PRICE RANGE:

\$6,000-\$25,000



# 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.

**O'ROURKE**

To discuss your business challenges and see how we can help, please contact Brian Fitzgerald, VP Digital Strategy, at **(978) 465-5955, ext. 221**, or **[bfitzgerald@orourkehospitality.com](mailto:bfitzgerald@orourkehospitality.com)**.