

Planning Your 2022 Marketing Budget for the Hospitality Rebound

INDEPENDENT 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, 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

These are the marketing tactics you ***must*** implement to cover your bases and optimize your ability to drive bookings in the digital space. That doesn't mean your hotel needs to implement these for 12 months, but you should find a place in your marketing plan and budget for them at some point in the coming year.

Website Design

How old is your hotel website? If the answer is 3+ years, you might want to consider a redesign in 2022. 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:

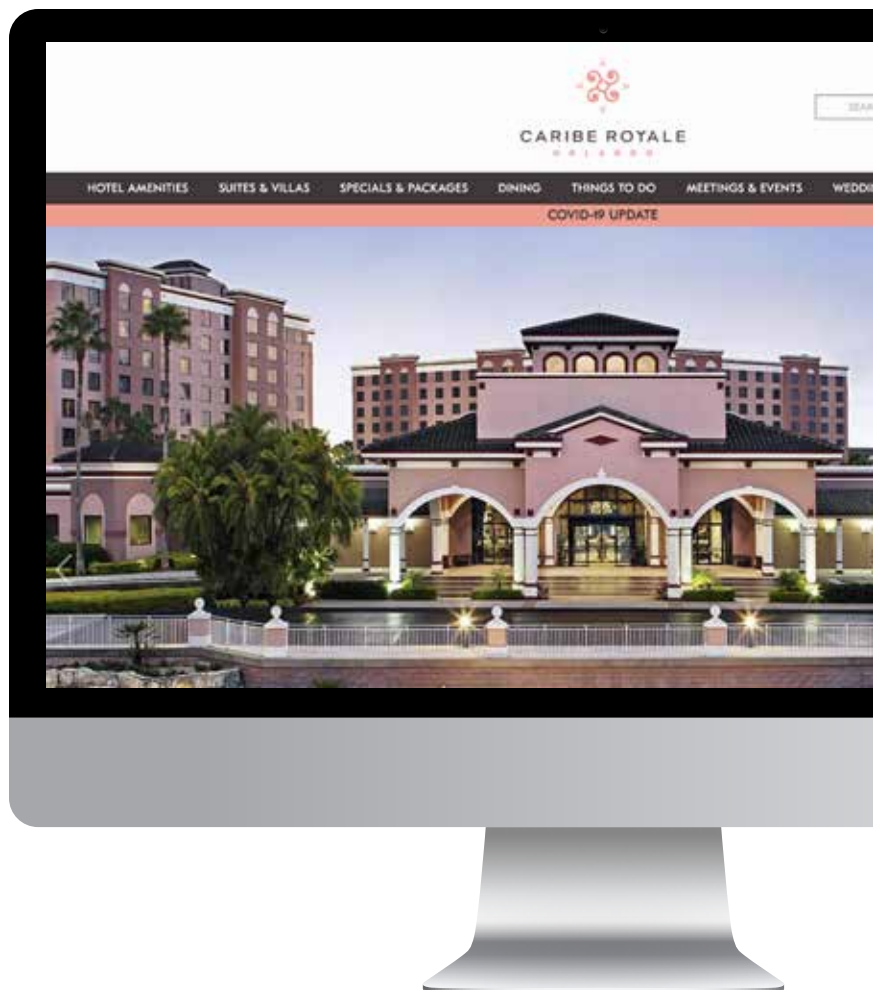
As an independent hotel, it can be difficult to embark on a website redesign or update alone, especially from a technical and compliance perspective. A strategic hospitality agency can ensure your website is technically sound and built to succeed in the mobile world.

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 Hotels.com, 42% of people have booked a hotel on mobile.

PRICE RANGE:

\$6,000-\$25,000



Pay Per Click Advertising

Driving bookings to your hotel website is all about real estate, particularly at the top of Google's search engine page results (SERP). Commanding that top position is done through pay-per-click (PPC) advertising. A targeted PPC campaign 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:

The ideal budget for your hotel will depend on a variety of factors. You don't always need to spend thousands of dollars per month to make an impact. Your hotel could launch a Google Ads PPC campaign internally, but many hotels work with an agency to develop a strategy, keyword research, and more.

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

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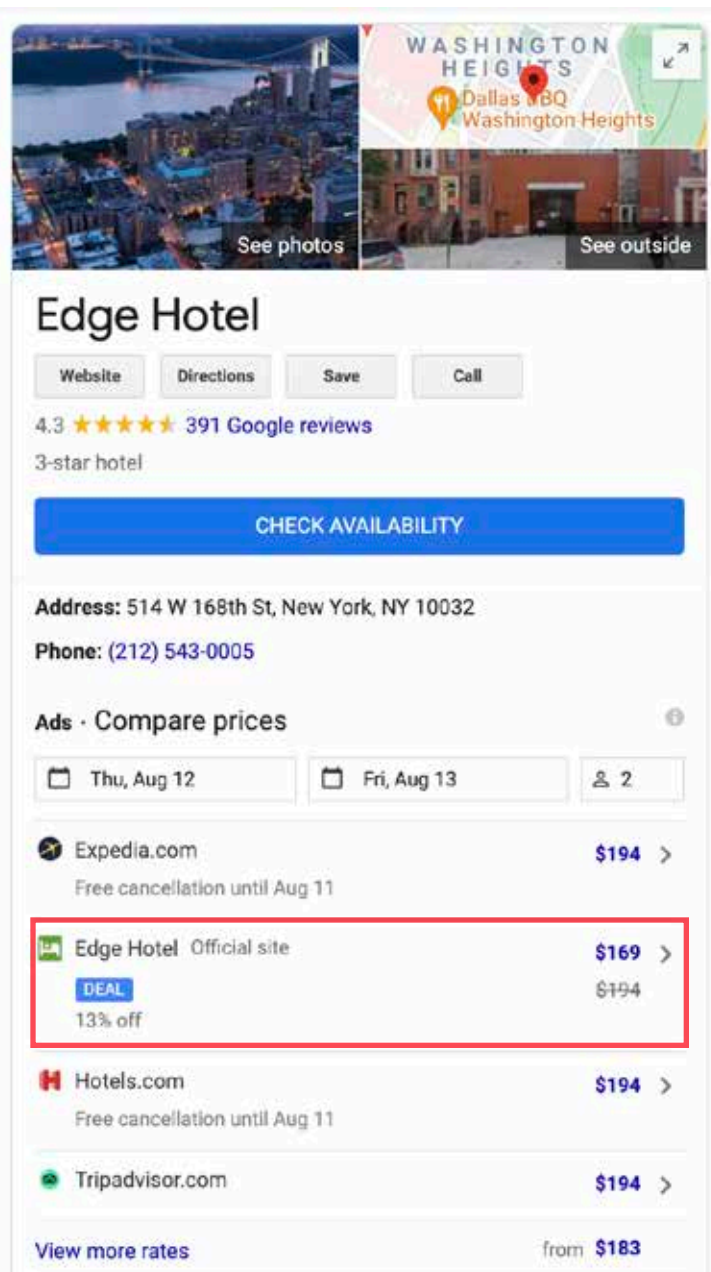
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Metasearch Marketing

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.



Edge Hotel

4.3 ★★★★★ 391 Google reviews
3-star hotel

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Phone: (212) 543-0005

Ads · Compare prices

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Provider	Price	Details
Expedia.com	\$194	Free cancellation until Aug 11
Edge Hotel Official site	\$169	DEAL 13% off \$194
Hotels.com	\$194	Free cancellation until Aug 11
Tripadvisor.com	\$194	

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HOW IT FITS IN YOUR BUDGET:

While metasearch has taken off in the past year, it can be a challenge to set up with various bidding strategies and technical requirements. Even Google recommends using a Hotels Ads partner for optimal setup.

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:

OTAs such as Booking.com or Expedia have partner programs to help independent hotels get started. A strategic partner can provide guidance on the best platforms, ideal budget and optimization.

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 and paying the commission is better than not securing the booking.

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 a navigation bar with the Expedia logo, language options (English), and a link to 'List your property'. Below this is a category bar with 'Stays', 'Flights', 'Cars', 'Packages', 'Things to do', and 'More travel'. The main search area includes a 'Going to' field with 'Yarmouth, Massachusetts, United States of ...', 'Check-in' and 'Check-out' dates of 'Sep 27' and 'Sep 29', and a 'Travelers' field for '1 room, 2 travelers'. A blue 'Search' button is on the right. A COVID-19 alert banner is displayed below the search bar. On the left, there's a map of the area with a 'View in a map' link. The main content area shows a list of hotels. The first hotel, 'Green Harbor Resort', is highlighted with a red border. It features a large photo of the resort, a heart icon, and a 'Member Price available' badge. The price is listed as '\$179 per night' and '\$410 for 2 nights'. The rating is '4.7/5 Exceptional (205 reviews)'. Below it, the 'Bayside Resort Hotel' is partially visible.

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



<https://themarquettehotel.com/>

▲ 0-49 ■ 50-89 ● 90-100 ⓘ

Field Data — The Chrome User Experience Report **does not have sufficient real-world speed data** for this page.

Origin Summary — The Chrome User Experience Report **does not have sufficient real-world speed data** for this origin.

Lab Data

● First Contentful Paint	0.8 s	● Time to Interactive	0.8 s
● Speed Index	0.8 s	● Total Blocking Time	0 ms
■ Largest Contentful Paint	1.4 s	● Cumulative Layout Shift	0

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 practice to improve your ranking across search engines.

HOW IT FITS IN YOUR BUDGET:

Hospitality marketers can take onsite SEO into their own hands by optimizing page titles and content with keywords they want their hotel to rank for. When you need help with strategic keyword research or keyword improvement, a marketing strategist can audit your website and provide guidance to optimize for organic search.

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:

\$500 - \$2,500 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:

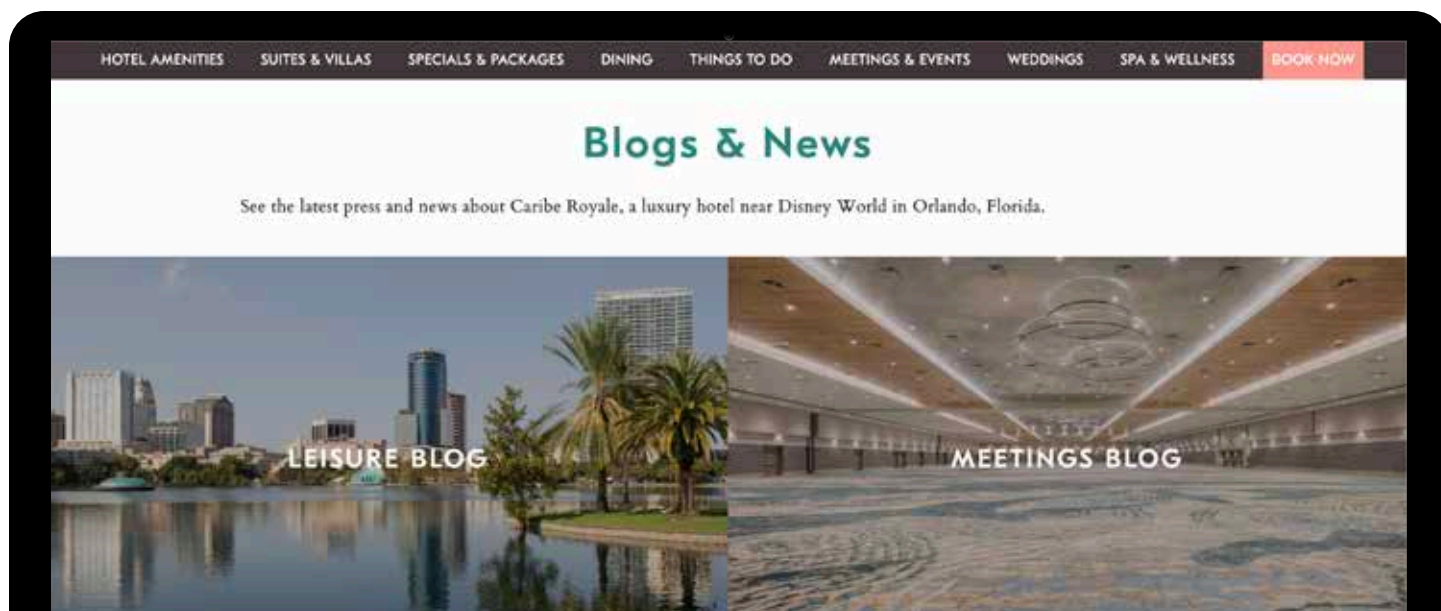
Content creation can be done in-house with the proper strategy. Hoteliers can use keyword research to see what terms might make for a good blog article and effectively drive traffic. A marketing agency can help develop the proper tools and put together a strategy for topics and keywords as well as provide 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 1.9 billion keywords found that nearly 40% of all searches were for the 99.84% of search queries with monthly search volume of 1,000 or less. 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.

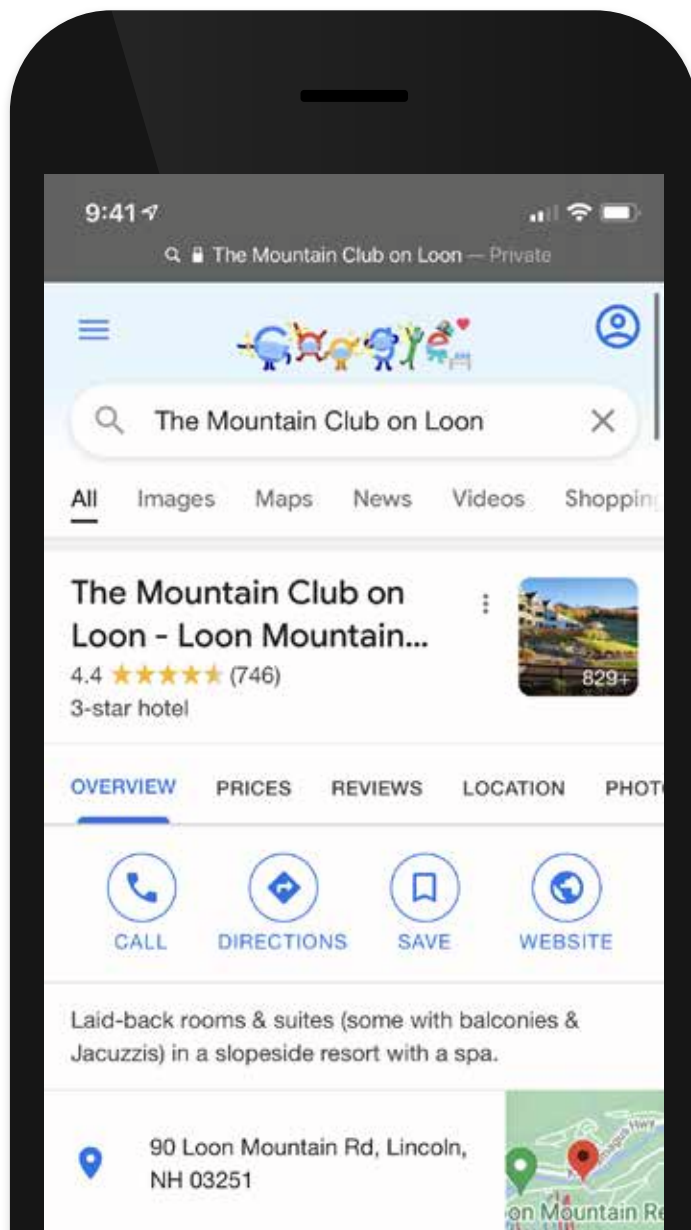
PRICE RANGE:

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



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. Google offers resources to get your GMB listing up and running but a marketing strategist can offer guidance on best practices and optimizations for optimal performance.

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



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

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:

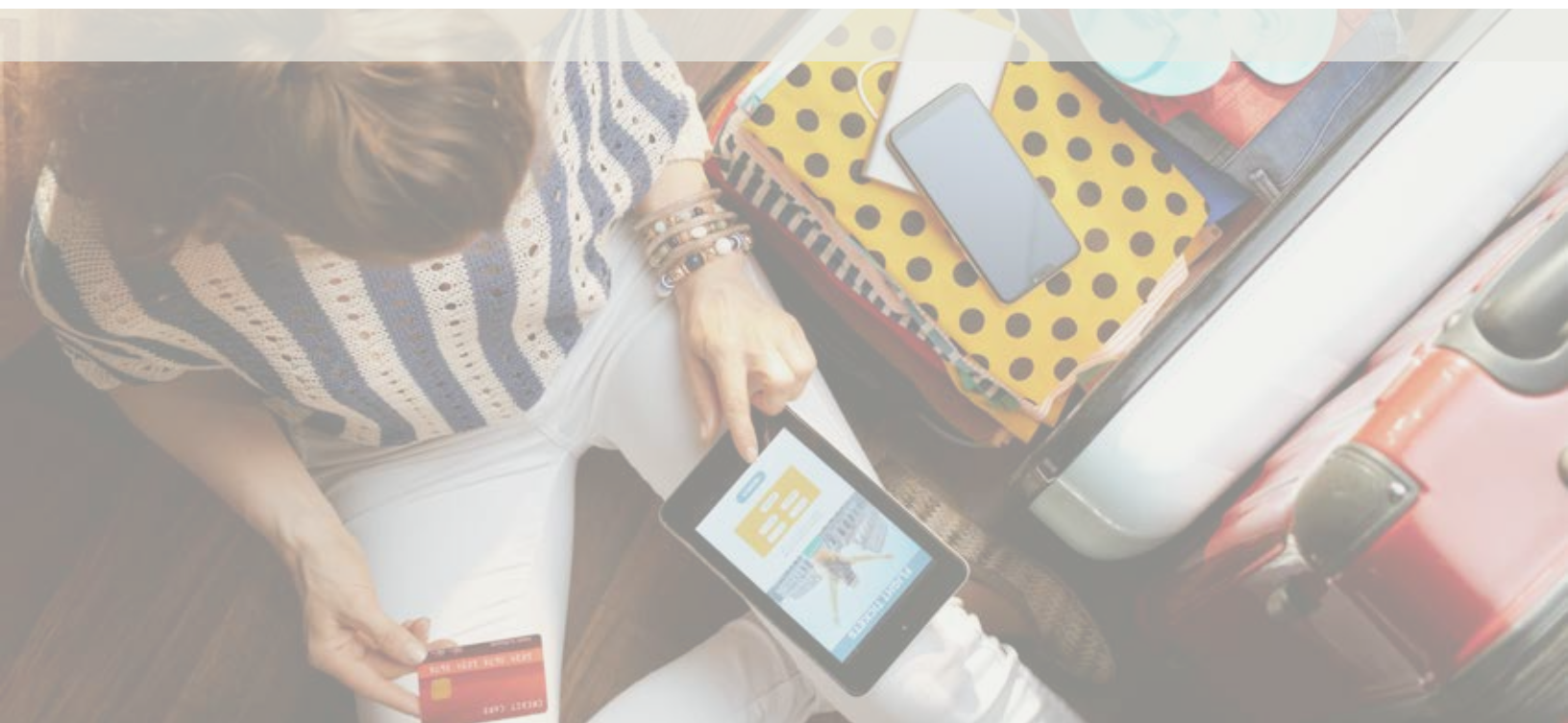
When done right, your CRM should provide insight into your email data, allowing you to segment lists and build customized email campaigns. If your hotel needs help connecting your data, developing strategic campaigns or designing templates, a marketing agency can offer resources and experience.

WHY IT MATTERS:

The average email open rate for the travel industry is 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

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:

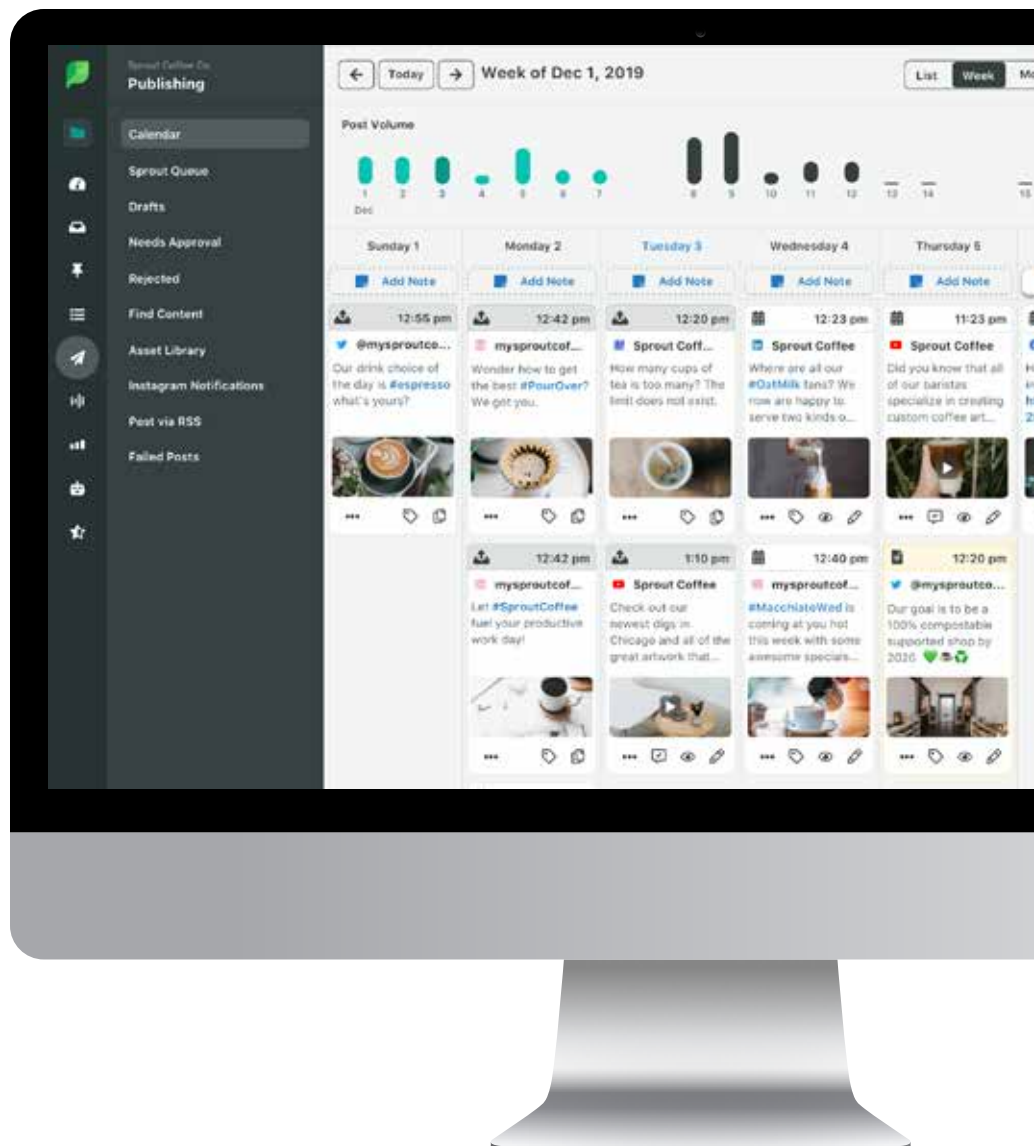
Hospitality marketers can use a number of tools like Hootsuite to schedule out social media posts in a cost-effective way. Building a social media presence takes frequency and trial and error and some hotels utilize a marketing agency to help build out branding and a strong plan of action.

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



STRONGLY CONSIDER

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:

Unlike organic social media posting, social media advertising can be complex. Some platforms require retargeting tags to be placed on your hotel website and there is a strategic component to targeting the right audience and locations with an optimal budget. While your hotel can boost posts and test social media advertising, a marketing agency can ensure you're spending your ad budget both wisely and efficiently.

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





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.

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:

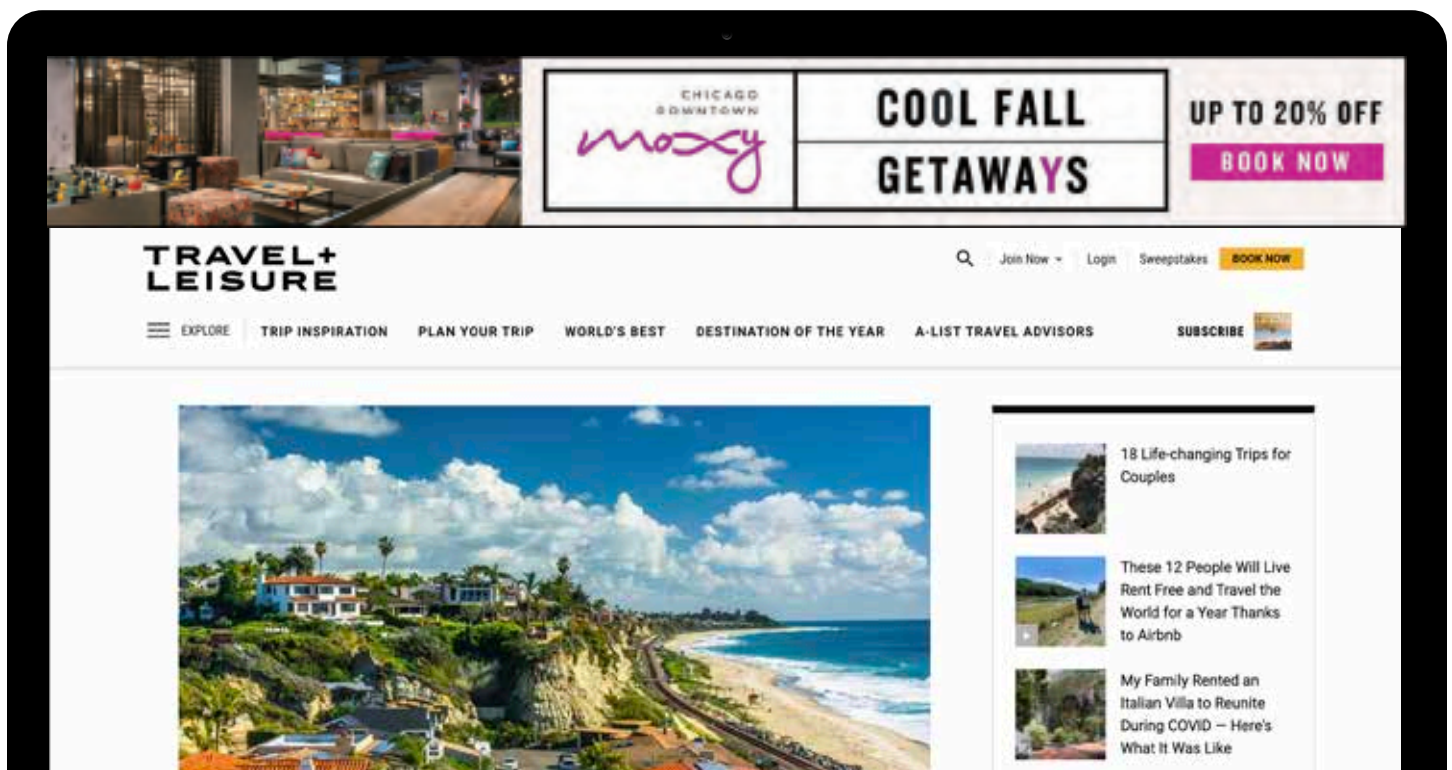
If your ad budget allows, display advertising can be an effective way to keep your hotel top-of-mind. Google Ads allows for easier entry into display advertising, but you may want to work with a partner to design graphics that convert more effectively and build out a campaign with strategic targeting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



Reservation Recovery



It can be extremely frustrating for hospitality marketers when they dive into their website data and see dropoff on the booking page. With reservation recovery, a guest who abandons the booking process isn't a lost cause. Your hotel is able to use this strategy to target travelers with incomplete bookings, sending them emails with strategic messaging and offers.

HOW IT FITS IN YOUR BUDGET:

If your website already has a system in place to capture contact data from abandoned bookings, you can put together an internal strategy to target them with campaigns. If not, a marketing agency can help build out a data flow that works best for your process.

WHY IT MATTERS:

According to SaleCycle, travel has the second-highest abandonment rate at 81.3%, second only to airlines (87.9%). That's higher than the average checkout abandonment of 76.9% across all industries. That same data shows that the top three reasons travelers abandon their booking are because they were just researching (39%), they were comparing prices (37%), or they wanted to check with other travelers (21%). That indicates there is a strong chance for re-engagement with the right strategy.

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 conversations 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 Brian Fitzgerald, VP Digital Strategy, at **(978) 465-5955, ext. 221**, or **bfitzgerald@orourkehospitality.com**.