



Shaun Johnston
design & marketing

for lodgings in the
Catskills, Berkshires and
Mid Hudson Valley

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Pay-per-click— what's your bid?

Inns.com brings transparency to online marketing. You'll be able to figure out exactly what an online booking costs you.

Minimum bid on inns.com is currently planned to be 10 cents. That means, to have your listing appear when people search for your city you pay 10 cents when they click through to your site.

Is that a good deal? How many visits to your web site does it take to get one booking? 50? Then on average it should cost you \$5 in click-throughs from inns.com to get each booking. If bookings average \$100, that's a marketing cost of 5%.

Inns.com is an auction.

Lodgings will appear in order of how much they bid. If others bid higher than you, you'll be low man on the list. To be able to afford more per clickthrough, you might work at making your web site convert visits to bookings more efficiently.

Online marketing **TIPS & NEWS**

May 2004

Trends in online travel directories

Instead of trying to hang on to visitors by representing you on their pages, directories are starting to send visitors straight through to your site. New pay-per-click directory sets a course all directories may follow.

Changes at Google have reshaped the world of online search. In travel searches, Google now puts directories at the tops of its listings. Individual lodgings come much lower down. In future, instead of being found through search engines, lodgings are likely to have to pay directories in order to be found online.

Directories too are having to adapt to this new world. They are having to compete fiercely among themselves for those top positions. To win top placement they are investing heavily in marketing themselves, paying far more for visitors' attention than all but a few individual lodgings can afford.

Eventually, of course, those directories that emerge the winners will want you, their customers, to reimburse them for all this marketing. They will turn to competing with one another to deliver you more value, to giving you more of what you want. At the recent innkeepers' conference in Providence (PAII), directory owners were giving hints of what that might involve.

What do lodgings want?

1. Send visitors directly to my web site

Up to now, online travel directories have done their darndest to make their pages "sticky," to keep visitors on their sites. Their strategy has been to provide enough information about each lodging so visitors could make their selection there, without feeling the need to leave and visit lodgings' own web sites.

Ultimately this proved an unsustainable strategy. Visitors want ever-more information on which to base their decisions, and directories couldn't afford to reproduce that much information for each lodging. To satisfy visitors' requirements they're having to link out to lodgings' web sites.

And as lodgings upgrade their web sites, that's what they want, too.

Responses of major national directories

The two leading national travel directories are bbonline.com and bedandbreakfast.com. Both are spending furiously to market themselves online. And both are engaged in transforming the service they offer their customers.

Bbonline.com had nothing to offer at the PAII conference but vague promises, their re-

programming being already 9 months behind schedule with no resolution in sight. But they did say they plan to offer visitors less content on lodgings' behalf and to feature links to lodgings' web sites more prominently.

2. Charge me only for value delivered

Bed and breakfast.com has a much more ambitious program, a new baby brother called "inns.com" due to launch June 1st.

Inns.com abandons the traditional annual-fee directory model in favor of a search-engine's pay-per-click strategy. Inns.com will consist of nothing but annotated listings, like those of a search engine, linking to sponsors' web sites. Inns.com will charge you only when someone leaves to visit your web site.

I know from running my own online travel directory how crazy the annual-fee model is. For the same small fee, a resort gets thousands of visits, a B&B only dozens. On a pay-per-click model everyone pays the same fee per visitor. That's fairer.

Pay per click software is now available for less than \$1000. Expect to see it spreading across the online travel-directory marketplace.

3. Charge me only for bookings you send

Ultimately, the best deal would be to pay for directory listings only through commission on bookings they brought you. At worst the listing would bring you no business but cost you nothing.

Here inns.com, the brain-child of Eric Goldreyer, starts out streets ahead of the rest of the pack. Eric is also owner of property-management-software Rezovation, to which he is in the process of adding online booking capability. Lodgings with that combination could pay for their listings in inns.com through commission along with commissions on the rest of their online bookings.

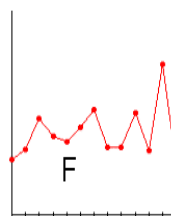
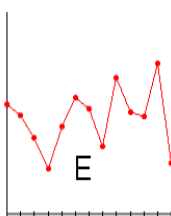
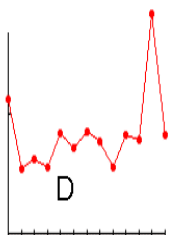
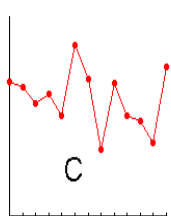
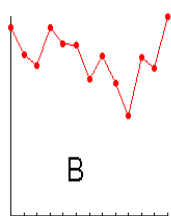
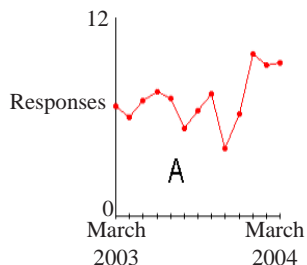
Beware of getting what you wish for

Clearly, the field of online marketing is in for major upheaval. It is likely to emerge as by far the most effective way to market lodgings. But it is likely also to involve a much higher risk of runaway cost. ■

Quiz: How well can you judge visitors' interests?

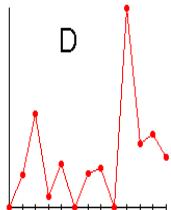
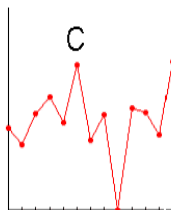
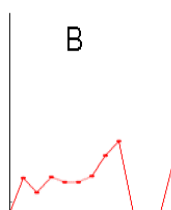
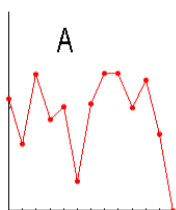
From March 2003 to March 2004 over 100 visitors registered their interests in a survey on our regional getaway guide www.nycgetaways.com. Because the number of respondents is too small for us to present the results as "data," we've made a quiz out of them.

All graphs are to the same scale, all run from March 2003 to March 2004 (see the first chart). For each group of graphs we list the interests surveyed. From the shape each graph-line takes over a year, can you deduce which is which? Answers are provided at the foot of the page.



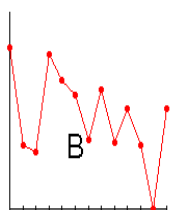
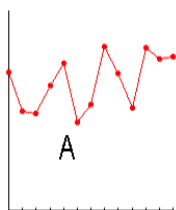
ABOVE, popularity of NYC-resort regions.

- ___ Connecticut
- ___ Poconos
- ___ Mid Hudson Valley
- ___ Berkshires
- ___ Hamptons
- ___ Catskills



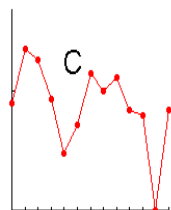
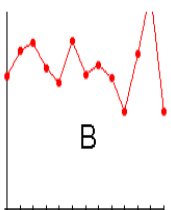
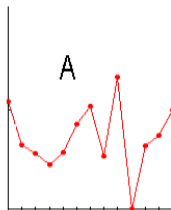
LEFT, popularity of activities.

- ___ Skiing
- ___ Golf
- ___ Spa
- ___ Cruise



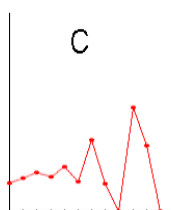
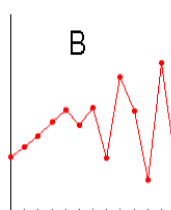
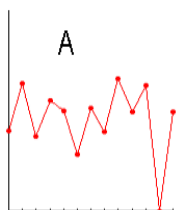
LEFT, popularity of off-peak stay.

- ___ Offseason
 - ___ Midweek
- Interesting, they're both quite high. Does this signify a helpful trend?



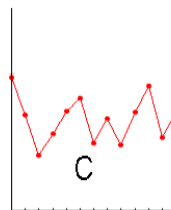
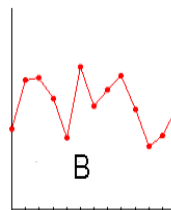
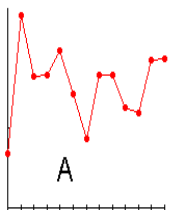
ABOVE, popularity of environs

- ___ Town
- ___ Country
- ___ Wilderness



LEFT, degree of luxury preferred.

- ___ Luxury
- ___ Economy
- ___ Workshops



LEFT, popularity of type of lodging

- ___ B&B
- ___ Resort
- ___ Hotel

Answers

REGIONS: A Poconos. B Catskills. C mid Hudson Valley. D Berkshires. E Connecticut. F Hamptons.
ACTIVITIES: A Spa. B Golf. C Cruise. D Ski.
OFF-PEAK STAY: A Off season. B Midweek.
ENVIRONS: A Wilderness. B Country. C Town.
LUXURY: A Economy. B Luxury. C Workshops.
TYPE OF LODGING: A Resort. B Hotel. C B&B.