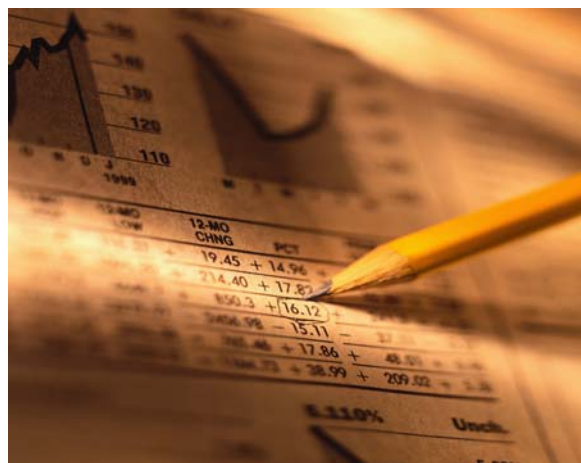


Effective Email Marketing



Book Rooms and Build Relationships

Email marketing is one of the most effective communication and promotion vehicles in the internet marketplace. Ninety percent of internet users and fifty-six percent of all Americans use email on a regular basis (source: e-marketeer Aug. 2006). Hotels benefit from email marketing because it's fast, direct, cost-effective, and builds loyal relationships. It is one of the lowest cost channels available to the lodging industry to book rooms and build customer relationships. High quality email campaigns can deliver effective messaging that drives action and manages customer relationships.

For your email campaigns to be truly effective, they have to be managed properly and conducted in a professional manner. This article provides hoteliers with some practical tips - the nuts and bolts – for conducting effective email marketing campaigns that maximize their return on investment. We would like to hear from you. Please leave a comment blog.milestoneinternet.com

Building Reputation & Credibility

Your email marketing practices establish your hotel's image and reputation in the minds of people of who receive your campaigns and messaging. By following some simple guidelines and practices, you can run more effective email campaigns and ultimately enhance your reputation.

1. Permission Email Vs. Spamming

Permission Email operates on the premise that the recipient of your message has in some way established a relationship with you by indicating an interest in your product or offer. Spamming is sending unsolicited commercial email using broadcast methods to multiple recipients without first establishing a relationship with them and without regard to their interest. Spamming is not only not permissible by law, but is also ineffective since you are marketing to people who are most likely not interested in your product and are not aware of your presence.

2. Sender Email Address Clearly Stated

Make sure that the sender email address is a genuine email address and the recipients of the email can see the address and respond to the email by hitting reply on their email applications.

3. Unsubscribe

Make sure that all the emails you send out have a clear "Unsubscribe" link where the visitors can click and choose not to get future mailings from you. While it may seem counter-intuitive to your marketing, by using this technique you ensure that people do not regard your campaigns as spam.

4 Easy Steps For Conducting Effective Email Marketing

1. Build Permission-based Email Database
2. Develop Email Marketing Plan
3. Send Email Campaigns
4. Track and Monitor Results

1. Build Permission Based Email Database

For effective email marketing, it's important for a hotel to develop a targeted, permission-based database. Email addresses can be collected either on the hotel website or at the front desk when the hotel guest checks in or out.

Create an opt-in form on your website so that visitors to your site can sign up for specials and promotional offers. You may want to offer an additional incentive to sign up, such as an entry into a raffle drawing for a gift basket or a percentage off their room rate. The image below shows a sample of an opt-in form. It's good to ask the visitor to specify their area of interest, such as weddings, group meetings, skiing, or wine-tasting so that you can segment your email database by interest. This is especially useful in sending out targeted campaigns that meet the interests of your guests. For example, you may choose to send out an email special offering ski specials to only the guests who have expressed an interest in

skiing. Once a guest hits "Send" on the opt-in form, they receive an email confirmation stating that they have been added to your mailing list. If they are not interested in getting email specials, they can simply "unsubscribe." Guests who do not unsubscribe become part of your powerful marketing tool - the opt-in email list.

In addition to collecting addresses on your website, you can also collect email addresses at your front desk during check in or check out. Ask your guests for permission on an opt-in card to send specials by email. If you have done a good job of treating your guests well, they will most likely want to hear about your future specials. Ask the front desk staff (some clients will use night auditors) to enter the information of that guest on the website form. By following this process, you make sure all the addresses are being collected in the central database and that they are legitimate email addresses following the opt-in process.

Most hotels build a database of anywhere from 1000 – 20,000 email addresses within a few months depending on how diligently the hotel is focused on collecting email addresses.

2. Developing your Email Marketing Database

Group Once you have a practical sized email database, you are ready to conduct email campaigns. We have observed that most hotels will get a reasonable return on their investment if the email database is more than 200. Of course, higher is better. In this step you decide what campaigns you want to send and how frequently. From our perspective, there are two kinds of campaigns that you can send:

- e-Cards
- e-Newsletters

e-Cards are campaigns that promote one specific special or item. Some of the campaigns that we have found to be

effective for the lodging industry include: Spa Specials, Ski Packages, Park and Fly Packages, Mother's Day Specials, Thanksgiving Specials, Holiday Specials, Christmas Specials, etc.

e-Newsletters contain multiple specials and news items. The images below show examples of an e-card and an e-newsletter.

The frequency at which you send out your campaigns depends on your aggressiveness and the amount of effort you put in. We typically recommend sending out one campaign a month or less. Sending more often than that could alienate some people on your list, although several hotels will send out campaigns every two weeks.

Design and Content of Campaigns

The design and content of your e-campaigns are perhaps the most difficult part for hotels. Some hotels with an in-house designer and programming capabilities will develop their campaigns in-house. Most hotels will use their e-marketing agency for the design of the campaigns and will provide the content. Some e-marketing agencies, like Milestone, are set-up to be full-service and will provide content ideas as well as the design.

3. Send Email Campaign

A critical component of sending out campaigns is to determine which email marketing tool you will use. There are several utilities that can be used to send out campaigns depending on the cost and capabilities of the systems. In general, here are some of the criteria that you could use to select a system for sending out your campaigns:



In-House vs. Outsourced

This is a critical decision that most hotels face whether to outsource the sending of their campaigns to an agency or if they are going to do it themselves. If the hotel has resources with reasonable knowledge of html programming and some design capabilities, there are several solutions available that hoteliers can use to send out their campaigns. If the hotel decides to do this internally, it's important to evaluate the ease of use of the system available. There are some systems available that will enable the hotel to send out campaigns with relative ease.

Several hotels prefer an agency to set up the system for them, and then for the hotel to be able to send out the campaigns on their own. Mixed mode systems where the agency sets up the campaigns for the hotel and the actual sending of the campaigns is done directly by the hotel are effective in lowering the costs. These solutions are fairly sophisticated and hence few in number, and can be procured from email marketing agencies.

Working with ISPs

Another important criterion for selecting a tool is based on how much technology is being used by the provider of the tool to ensure that the emails do not get stuck in the spam folders of the major email providers and ISPs, such as Google, Yahoo, MSN, SBC Global, etc. Good tool providers spend a lot of time working with email providers in understanding their spam guidelines and making sure that your emails make it into the in-box of the consumer. Good tool providers will specify the guidelines for the design of your email campaigns that will follow the spam-checker guidelines for these email providers. Once you have designed your templates and selected the tool that you are going to use to send out campaigns, you are ready to send out your email campaigns.

4. Tracking your Campaigns

Most good quality email tools have sophisticated reports available that will tell you the effectiveness of your campaigns. The tools give you the information on how many recipients of your campaigns opened the emails, how many unsubscribed and several other statistics related the effectiveness of your campaigns. The image below shows a sample email marketing report available for the campaigns.

One of the more effective reports indicates which people clicked on which links of your email campaign. This gives you insight into the minds of your readers as well as their behavior. It also points to which particular specials in your email campaigns are more effective.

Some of the more sophisticated tools will allow you to set up the system so that the consumers who clicked on specific links can get a follow-up email that sells them only that particular special. This feature is particularly effective when you send multiple specials and you want to send out more targeted campaigns once you gain a better understanding of the interests of your target audience.

Using Email Marketing to Up-sell

Email Marketing can be used effectively to up-sell your hotel. Sending your guests an email a few days before their arrival at your property telling them about your specials and packages offers an immense opportunity to increase the revenue generated per customer. State-of-the-art technologies will enable you to automate the process where all reservations received from all your sources – property direct, internet booking engine, and central reservation systems - can get such an email. Branded properties should exercise caution since some of the brands already send such emails to guests and the hotel should not duplicate the effort.

The image below shows an example of an up-sell email campaign that can be sent to guests.

Using Email Marketing to Build Relationships and Get Feedback

Some hotels and brands will send their guests a post stay survey form to get feedback on the stay. This helps to build customer relationships and also understand what guests like and dislike about your hotel. Online surveys offer instant feedback to your hotel. The form below shows an example of an online survey conducted by a hotel.

Final Insights

Reading through this article, you've probably realized that email marketing is a critical piece of the integrated online marketing puzzle. Email campaigns, when conducted effectively, can generate significant return on investment, build strong customer relationships, and help hotels understand their customers better. If you are a branded property, make sure to check the brand guidelines before embarking on email marketing. We recommend that hotels use this powerful distribution media extensively to book more rooms and to build long-lasting customer relationships.

This article is written by Benu Aggarwal - founder and Anil Aggarwal partner of **Milestone Internet Marketing, Inc.**

Milestone is a full-service internet marketing solutions provider and an educator for the travel and hospitality industry. Visit www.milestoneinternet.com.