Measuring the Performance of Search Engine Marketing: Two Tools for the Hospitality Industry

Anil Aggarwal

Bill Carroll Ph.D.

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Measuring the Performance of Search Engine Marketing: Two Tools for the Hospitality Industry

Abstract
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Comments
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by Anil Aggarwal and Bill Carroll, Ph.D.

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EXECUTIVE SUMMARY

The importance of search as a medium for travel advertising and promotion has grown dramatically over the past ten years. According to industry researcher PhoCusWright, when consumers are comparing and choosing travel services, they use search engine websites more than travel suppliers. Forrester reports that consumers use these sites slightly less than they do online travel agencies. Search engine marketing spending is expected to represent nearly $1 of every $10 spent on both online and traditional marketing within three years. This report describes some of the tools available to measure return on investment (ROI) and some key performance indicators (KPIs) associated with search engine marketing. It provides two simple analyses that rely on freely available tools for measuring search marketing performance. It also presents the challenges of interpreting results from these and other tools and processes used to measure search engine marketing effectiveness.
ABOUT THE AUTHORS

Anil Aggarwal is CEO of Milestone Internet Marketing, where he is responsible for sales and marketing activities and for developing the technology roadmap for the company. Along with his business partner, Benu, Anil has guided Milestone from a customer base of 75 hotels in 2004 to over 800 hotels in less than five years, and has developed Milestone into an internet marketing powerhouse for the lodging industry. Anil has conducted several educational and training sessions for lodging industry including those for HITEC, Eye for Travel, Wyndham Worldwide, and several other major lodging brands and associations, conducting over 25 educational workshops in 2009. Prior to joining Milestone, he was the co-founder and CEO of Zeevo, a wireless connectivity solution provider based in Silicon Valley, which was sold to Broadcom, which is recognized as a market leader worldwide in wireless connectivity space. He took the Zeevo from startup to earning $14 million in annual revenue, with over 80 employees. As CEO of Zeevo, he raised more than $65 million in venture capital financing from premier Venture Capital firms like Sequoia Capital, and from strategic corporations such as Dell, Inc. Prior to Zeevo, Anil served in engineering and marketing management roles in several technology companies. Anil has won several awards including FSA's best financially managed private company award. Anil holds a master's degree in electrical engineering from University of Hawaii, and an MBA from University of Georgia. He also holds a real estate agent license from the State of California.

Bill Carroll, Ph.D., is a senior lecturer at the Cornell School of Hotel Administration, where he teaches courses in economics, yield management, pricing, and marketing distribution. He is also CEO of Marketing Economics, a consulting firm specializing in travel industry pricing, distribution, yield management, and strategic planning. His firm works with a variety of clients across the travel industry including global distribution systems, chains, hotel service companies and travel intermediaries. He also works closely with PhoCusWright, Inc. a travel industry research, consulting and publishing company where he has written a number of reports and articles. He earned his Ph.D. in economics from Penn State. For over 25 years, Carroll held a variety of senior positions in the travel industry, including division vice president for global marketing planning at Hertz, where he was responsible for global pricing, yield management, marketing information systems, and counter sales. He implemented the first decentralized yield management system in the car-rental industry and a comprehensive executive information system (EIS) that gained national recognition. He also served as the global vice president for Reed Elsevier's Travel Group, which included responsibility for Travel Weekly, Hotel and Travel Index, Official Hotel Guide, and Official Meetings and Facilities Guide. He was also responsible for production and data base systems and the migration of information products to electronic distribution. He has written numerous academic and popular-press articles on economics and travel industry topics. His most recent reports covered the evolution of hotel distribution and its impact on major chains and intermediaries.

The authors are indebted to Matthew Goggin, a graduate student at the Cornell College of Engineering, and Jon Earley, a senior at the Cornell School of Hotel Administration, for their assistance in developing and maintaining the spreadsheet tool.
The importance of internet search as a medium for travel advertising and promotion has grown dramatically over the past ten years. Google is currently the most used search engine, with a nearly two-thirds market share of views, and Yahoo and Bing (previously MSN) combined account for most of the remaining revenue.¹ As indicated by Forrester, search is the current leader among online advertising and promotion medium spending. By 2012, search marketing is forecasted to represent $1 in every $10 spent on all media—both online and traditional.² PhoCusWright reports that consumers use search engines more than they do travel suppliers, and slightly less (59% versus 71%) than they do online travel agencies for comparing and purchasing leisure travel services.³ Hitwise reports that within the travel category, Google has more views than do hotel suppliers and online travel agencies put together, and Google accounts for roughly 30 percent of “downstream” traffic for both.⁴ Other search engines also attract travel consumers and produce downstream traffic.


Search engines continue to be refined, particularly in the travel category. Within the past three years, a new type of search engine has evolved, usually known as meta-search. Kayak (www.kayak.com) is currently the travel category leader. Meta-search sites focus on specific categories of search such as air travel and are more vertical in functional execution. That is, they have a more narrow focus than a traditional search engine, and allow users to gain content more efficiently than typical searches through Google or Yahoo. Within the last year Kayak moved into the top 20 travel-related sites, as reported by Hitwise.

Despite their differences, both use a pay-per-click (PPC) model, and so this paper treats traditional search engines and meta-search engines in the same fashion. Meta-search engines like Kayak operate on the basis of search criteria selected by the user (e.g., location, price, or quality classification, such as stars). Traditional search engines have proprietary algorithms that respond to words and phrases entered by the user. The Bing.com search engine uses both approaches. Despite these differences, search can be evaluated on the basis that marketers can either pay for position in displays (using PPC); take actions to improve position (like search engine optimization or rate parity maintenance for meta-search); or capture the effect of search-marketing investments by converting downstream user response at the hotel website.

Search marketing can produce more accurate probabilistic estimates of marketing effectiveness than traditional marketing media (including print, radio, TV, and cable). This includes the return on investment (ROI) in advertising or other marketing advertising spending and the evaluation of key performance indicators (KPIs), such as the audience reach. While traditional media offer marketers information about the number of individuals reached and their demographics (e.g., through print circulation or viewership analysis), marketers cannot easily trace the advertising expenses on those media to the creation of incremental revenue or other consumer response (e.g., numbers of impressions).

The effects of hotel search marketing activities and expenditures, on the other hand, can be measured as users type search terms for specific information (i.e., via words and groups of words used) about the hotel, brand, chain, location, or features. Marketers can also track user response via click throughs (when a user clicks on the property, brand, or destination website) or via click stream behaviors (that is, a series of websites a user clicks to in a single internet session). More sophisticated analysis can be performed by tracking consumer actions taken while on a property or brand website, such as making a reservation and checking loyalty points. Marketers can also use pop-up consumer surveys on their sites (commercial vendors provide these surveys). These sampling surveys capture more
information about consumer behavior. Alternatively, they can query callers to their reservations centers or properties or survey guests to evaluate both the path and motivation for being where they are.

This report describes some of the tools available to measure search engine ROI and KPIs. It also provides a simple analysis that relies on free tools available in the marketplace for measuring search marketing performance. We examine the challenges of interpreting results from these tools and discuss the processes used to measure search engine marketing effectiveness. Note that the report and the accompanying tool focus on measuring website-based marketing efforts only.

**Search Engine Promotion**

The strategies for promoting websites on search engines can be segmented into the following three categories, which are illustrated in the screen capture in Exhibit 1:

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7 See, for example: iPerceptions.com
• Organic promotion,
• Local promotion, and
• Paid search (PPC).

**Organic promotion**—Organic promotion is a long-term strategy that includes (1) all the strategies deployed to make a brand website search engine friendly and to enhance website rankings in all internet yellow pages (IYPs), local, regional, national maps, and niche-related directories; and (2) brand website design to optimize algorithmic search of the site. Success is typically measured by an increase in relevant traffic, click throughs, calls to reservation centers or local agents, and actual conversions.

**Local promotion**—Local promotion includes results in the local category of the search engine results page. This might include appearing in Google Maps, where the customer is searching for a specific location or where the browser location falls in the “driving shed,” which is the geographical target market of the hotel purchasing the key word.

**Paid search (PPC)**—Pay-per-click measurements tally the listing results in the sponsored links section of the search results page. Users pay for ranking with desired keyword phrases. Paid search helps drive immediate results. Success of paid promotion is based on clicks, impressions, and the click through rate (CTR). Paid search involves paying to be listed in the results of specific search phrases (or keywords), typically near the top of the results. Several search engines and directories offer this service as paid advertising or sponsorship options.

For the purposes of this article, we lump the organic and local promotion into organic search engine optimization (SEO). We note that the effectiveness of both search marketing and traditional marketing rely on the portfolio of integrated marketing activities.

**Website Analytics**

The initial step in evaluating search marketing effectiveness is to develop web analytics. This includes determining the source of traffic—that is, clicks reaching a specific hotel or brand website. There are several website analytics tools available in the market. Some of the main tools available are described in Exhibit 2.

For simple website analytics tracking, Google Analytics or Urchin Analytics is sufficient. These tools are straightforward and easy to set up, and they are free. For more sophisticated website analytics, one may need more advanced tools like those provided by Omniture, Webtrends, or Core Metrics. Those sophisticated tools may require experienced staff or resources from vendors who can assist marketers to set up and use them. As part of this report, we offer basic instructions on how to set up Google Analytics, and how to use it for basic search marketing analysis. We then show how to use inputs from Google Analytics in a spreadsheet tool to present, analyze, frame, and interpret basic ROI and KPI results from search marketing. The descriptions of the tools follow this discussion.

**Setting Up Google Analytics on Your Website**

Here’s how to set up Google Analytics code on a website. More details can be found on [www.google.com/analytics/](http://www.google.com/analytics/).

1. Create a new account on Google Analytics ([www.google.com/analytics/](http://www.google.com/analytics/)).

2. When you open Google Analytics, you can follow the prompts to set up a new account. The tool will ask for the website address that is to be tracked, so have the URL ready.

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**Exhibit 2**

**Website analytics tools**

<table>
<thead>
<tr>
<th>Tool</th>
<th>URL</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google Analytics or Urchin Analytics</td>
<td><a href="http://www.google.com/analytics/">http://www.google.com/analytics/</a></td>
<td>Google Analytics is available at no cost. Urchin Analytics is similar to Google Analytics, except the tracking software is hosted on your own server.</td>
</tr>
<tr>
<td>Omniture</td>
<td><a href="http://www.omniture.com/en/">http://www.omniture.com/en/</a></td>
<td>Widely regarded as the market leader providing analytics for several large online businesses and corporations</td>
</tr>
</tbody>
</table>
3. A confirmation page will then appear that verifies the account has been created. This confirmation also gives a code to be inserted on the brand website pages. For Google Analytics to function properly, this code must be installed on every page of the website to be tracked before the </body> tag. (See Exhibit 3.)

4. Once the code is added, Google Analytics should start tracking website results within 24 hours.

Search Marketing Key Performance Indicator Measurement
Google Analytics allows the user to develop a set of useful KPIs. These have been segmented for tracking website performance into simple, detailed, and sophisticated KPIs, depending on the user's goals and level of sophistication.

1. Simple Tracking
The KPIs for the simplest form of tracking give a quick snapshot of the potential effectiveness of search engine marketing activities. This tracking is useful for senior managers and non-technical front line staff. It gives an overview of website activity without detailed analysis of the factors or sources that produced the activity. These measures indicate the volume of visitors coming to the hotel (brand) website, the number of pages viewed, and, with some additional information, the number of reservations made. As discussed below, by making some simplifying assumptions, ROI estimates can be calculated. However, using such a simple approach brings the risk of either over- or underestimating the effectiveness of search engine marketing and keyword (PPC) investments.

As shown in Exhibit 4 (next page), a consumer can take a variety paths to arrive at a hotel website. Consequently, the traffic generated or reservations made may not have been influenced solely by search marketing activity. Reservations may be influenced by the search engine channel (or path), but made on another channel, and reservations may be cancelled or amended later.

Some Key Performance Indicators (KPIs)

Visitors. This measures the number of search engine visitors who viewed the hotel website over a given period of time. The number of visitors is an indicator of whether search marketing efforts are working. One can analyze, for example, whether the site traffic continues to increase, and one can take into account seasonality, pricing competitiveness, and visibility on online travel agency sites. You can also compare the current level of activity on a year-over-year basis, given the state of the economy and marketing efforts this year and last year. Since Google Analytics provides a distribution of new and repeat visitors, it is also possible, and advisable, to note whether more or fewer new visitors are coming to the site and whether these visitors continue to represent the same percentage of total visitors, or a higher or lower percentage. These figures could provide an indication of how much impact search marketing is having in attracting new customers.
**Page views.** This measures the number of website pages viewed by visitors. The number of page views (or pages viewed per visitor) addresses several issues, beginning with whether people coming to the site are reading multiple pages, which gives a strong indication of whether they are engaged. Two considerations in these data involve whether the site’s search and pay per click keywords are attracting the right kind of visitors (i.e., truly interested visitors), and whether visitors consider the site content valuable and appropriate. If the site has many visitors, but they do not view many pages, this is an indication that there may be issues with the site or the search marketing approach. The same sort of information is provided by the average time spent per visitor on the website.

**Click-throughs to the booking engine.** This measures the number of instances when visitors viewed the site’s booking page to check rates or get other information. This is a more robust measure of customer response than page views. Click-throughs suggest that individuals have been reached by search marketing and may be considering a purchase. It does not necessarily mean that these are new or incremental customers or that search engine marketing alone has been the reason for the activity. Current or repeat customers are likely to visit a hotel’s website through search. A full portfolio of marketing activities is likely to influence the users’ search and response. Moreover, the conversion of a visit (click-through) to a booking (and the subsequent generation of potential revenue) involves more than the source of a click-through from a specific search engine (and search marketing activities). It also includes the activities of pricing, revenue management, and IT, not to mention that the hotel must have available rooms for the dates in question. Beyond that, the rates and services must be competitive with the market, and the booking engine must be easy to use.

**Revenue generated.** This is a measure of the revenue generated by search marketing. To determine revenue generated, it must be possible to link search marketing–induced traffic (i.e., click-throughs) to actual bookings and paid stays at the property. The conversion activity on the booking engine can be linked to search marketing efforts if the code generated by the website analytics tool (for example, the Google Analytics code) is also embedded in the booking engine source code. Revenue data can be obtained from the website analytics tool or from the booking engine software (example, Netbooker NG from Pegasus, iHotelier from TravelClick, or the Synxis booking engine).
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using a search engine to locate a branded property in a given destination is more apt to book the property once directed to the hotel website (via a click through) than an independent leisure customer searching for the lowest hotel price for an economy property for a leisure trip.

Because of the many intervening variables, care must be exercised in deriving a return on investment on the basis of click-through data. Many tracking routines capture only the last click from a search engine or other intermediary site to the brand website. The routines may not capture the click stream that led to the brand site where that may have involved a set of sites that the user visited before clicking through to the brand site. Even if some routines do capture this information for a given user's session, they do not capture it for activity and click streams that could have occurred in a user's past search sessions and other shopping. The effect of this is that too much influence may be attributed to the last click when, in fact, a considerable amount of search activity may have occurred for the user before that person arrived at the brand site, or the last click. That, in turn, could cause some search terms and intermediary sites to be given inflated ROIs.

2. Detailed Website Tracking

A higher level of search marketing analytics involves understanding the source and conversion rates of visitors to the hotel website, as depicted in Exhibit 5. This information enables the marketer to evaluate the effectiveness of different search engines, directories, and targeted keywords. The main KPIs for detailed website tracking for search engine marketing are presented below.

**Search terms.** Search terms are the words that search engine users enter, hoping to get useful search results (displays). In turn, these terms have the potential to drive users to a hotel's website. The more specific the keyword, the better the performance. Keywords that are related to the brand, such as the hotel brand name, can have greater response, measured by the ratio of click-throughs to views, than a generic word. Generic search terms might be associated with hotel's geographic location, features (for example, on the beach, next to an attraction) or specific characteristics relevant to the property (e.g., family oriented area, near a special event venue). These same factors can affect the conversion rate. For example, a hotel brand loyalty club member using a search engine to locate a branded property in a given destination is more apt to book the property once directed to the hotel website (via a click through) than an independent leisure customer searching for the lowest hotel price for an economy property for a leisure trip.

Because of the many intervening variables, care must be exercised in deriving a return on investment on the basis of click-through data. Many tracking routines capture only the last click from a search engine or other intermediary site to the brand website. The routines may not capture the click stream that led to the brand site where that may have involved a set of sites that the user visited before clicking through to the brand site. Even if some routines do capture this information for a given user's session, they do not capture it for activity and click streams that could have occurred in a user’s past search sessions and other shopping. The effect of this is that too much influence may be attributed to the last click when, in fact, a considerable amount of search activity may have occurred for the user before that person arrived at the brand site, or the last click. That, in turn, could cause some search terms and intermediary sites to be given inflated ROIs.
**Referring search engine.** Since there are several search engines, including Google, Yahoo, and Bing, it is useful to understand which engines are most effective in driving users to the hotel website. As well, each of the sites has different PPC fees. So, productivity in terms of website traffic and conversions per dollar can be important for determining the ROI of one site versus another.

**Feeder market.** It is useful to see which cities and geographies are generating the most traffic. Knowing the geographic origination of traffic is useful for geographic-target marketing efforts in the markets that are the highest drivers of traffic and business to the brand site. As a result, analyzing the productivity of keywords by geographic market can enhance search marketing effectiveness. For example, making keyword PPC buys in areas that are natural or historic feeder markets for a property can improve that keyword’s ROI.

**Sophisticated Conversion Tracking:**
The highest level of sophistication in website analytics is determining the click-stream path of site visitors. This analysis seeks to record the set of sites that visitors followed before arriving at the hotel’s website, and to determine how that path affects website use and conversions. Within the property website, path analysis provides a better understanding of which pages are most effective in engaging users and creating bookings, and which pages seem to cause the visitor to abandon the site. The main goal of such analysis is to understand and improve the content, functionality, and navigation of the site to maximize visitor engagement (i.e., page views per visit) and conversion. The main KPIs to monitor such activity are given below.

**Click-through path.** This tracks the click-through path for a website visitor who books a confirmed reservation. This information provides information about the most productive referring websites, including search engines, in terms of confirmed bookings and subsequent revenue.

**Entrance pages.** This information measures which website pages receive the highest traffic from other sites, including search engines and, if click-stream analysis is used, which set or sequence of sites creates the most traffic and conversions. Such information can be used to enhance these and other pages to improve user engagement and conversion.

**Exit pages.** When website users leave the site without booking, it’s worth knowing whether certain pages are most likely to be associated with abandonment. So, one can record the website pages where users most often leave or “drop off” the site. Having this information can help marketers make better decisions about website optimization to enhance engagement or conversions through improved content and navigation functionality.

PhoCusWright research indicates that even when travelers check prices and availability on supplier and intermediary websites, they often complete bookings on other websites or with a call to the reservation center or the property. This may occur more often for independent properties or properties that have a site separate from the brand site. In these cases, visitors are more apt to leave the hotel’s website to make a booking on the brand site or a third party site such as Expedia or Travelocity than they are to finish the booking on the property’s site.

**Measuring ROI: Process and Challenges**
Although a typical search ROI calculation is straightforward, its accuracy is subject to considerations that we’ll discuss in a moment. The simple ROI calculation uses search marketing investment (expenses) and incremental revenue generated data, as follows:

\[
\text{Return on Investment} = \frac{\text{Incremental Revenue} - \text{Incremental Cost of Search Marketing}}{\text{Investment}}
\]

The incremental cost of search marketing typically includes incremental staff costs for search marketing activities such as SEO, media spending, and agency fees (which are incurred if an outside vendor is used). The main consideration in calculating an accurate ROI involves determining the true incremental revenue created by search marketing. Exhibit 4 (on page 11) illustrates the typical marketing and booking scenarios for the lodging industry, which can result in bookings on any of the following channels:

- Internet booking engine,
- Phone reservations,
- Group bookings (hard to measure), and
- Secondary channels (including third-party channels such as Expedia, Travelocity, and Orbitz).

A complete picture of ROI on search marketing activities involves tracking each of the channels. Not only is this difficult, but it can differ for each property based on the mix of customer segments served, the choice of distribution channels, and the functionality of the booking engine. Let’s look at each of these channels.

**Internet Booking Engines**
Internet booking engines are the direct channel for search marketing efforts, and their search marketing ROI is easily measured. As illustrated in Exhibit 4, the internet booking engine does not need to be hosted on the same server as the website that is the recipient (or target) for search marketing. Most booking engine reports capture details about the actual bookings received via the target property website. Most ma-

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Chain bookings and several commercial booking engines (e.g., Netbooker NG from Pegasus, iHotelier from TravelClick, or the SynXis booking engine) allow users to assign specific codes for different channels to track the booking source, such as website, paid search (PPC), branded or generic keyword types, e-mail marketing campaigns, or banner ads. To support search marketing, the booking engine must be assigned a specific code for all reservations coming from the property website that are associated with a particular search engine (or keyword, or keyword type).

**Phone Tracking**

As we said, a substantial amount of conversion from online marketing efforts, including search marketing, occurs through a phone call to the reservation center or the property. This suggests that measuring the ROI from search marketing by directed website traffic conversion alone may underestimate the effect of search marketing efforts.

The relationship between online conversion and sales through traditional channels (such as phone calls to the reservation center or to the property) is typically expressed as a ratio. For every website booking there is some corresponding number of bookings influenced by the site traffic but completed offline. The actual ratio depends on the type of hotel (e.g., branded or independent), the type of market segment served (e.g., business or leisure and group or transient), the quality of website content and functionality, and the mix of new and (loyal) repeat guests. For example, one could imagine that the phone conversion ratio for a mid-scale, urban, branded property might be lower than for an upscale, independent hotel in a resort destination. The online-to-phone conversion may also be lower if the hotel is promoting packages where consumers may have more questions about the packages that require inquiries to the reservation center or property itself.

There are several technologies available to track phone call conversions. At the simplest level, a specific toll-free number can be assigned to certain website pages, such as those used by large and small groups or specific businesses or those associated with specific packages or campaigns. This way calls can be tracked back to website pages, customer types, campaigns, or packages. More sophisticated phone tracking software tools are available in the market or through marketing agencies that also track calls for marketing campaigns or packages. In addition, such tools provide the capability to record phone calls and measure actual conversion using survey techniques. The main KPIs for combined online and phone tracking conversion are given below:

- **Campaign tracking**—Which marketing campaigns, organic search, paid search, or email marketing programs are being most effective?
- **Search engine tracking**—Which search engines are producing the most phone calls?
- **Keyword tracking**—Which keywords are being most effective?; and
- **Actual conversion**—How much revenue is actually booked?

Depending on the level of desired sophistication and the size of the marketing budget, a marketer may choose to perform analysis at the simplest level, where there is a dedicated toll-free number assigned to the website for telephone conversion analysis. At a more sophisticated level, this technique may be expanded to track the specific source of the call and associated telephone-to-online conversion ratios. Agencies like Milestone are capable of providing detailed analysis of such relationships, as shown in Exhibit 6.
Group Bookings
As suggested by PhoCusWright, a substantial amount of group hotel business—nearly 40 percent—is shopped and booked online. Most group business leads either call or fill out a request for proposal (RFP) online. Some chains, like Hilton (www.hilton.com) and Marriott (www.marriott.com), permit real-time online small group bookings for participating properties. Some software vendors, like Passkey (www.passkey.com) and Starcite (www.starcite.com), permit tracking for specific large events. At the simplest level, by having a group booking form on the website (or permitting small group real-time booking), it is possible to both serve and track group business by monitoring how many group business requests come from the website relative to the number of visitors who are driven (i.e., by click through) to the group pages on the site. Sophisticated proprietary tracking tools from companies like Milestone and Cendyn monitor the total requests received online as well as categorize the leads by type, (e.g., weddings, meeting planners). Exhibit 7 shows a sample website form to be filled out by visitors interested in group business and a sample tracking report for group bookings received through the website.

Tracking Secondary Conversion
Consumers compare rates while searching online. PhoCusWright reports that leisure travelers usually visit two or three sites when purchasing leisure travel (average 2.6 sites). Similarly, when consumers are selecting a destination and shopping for travel services they usually visit three or four sites (average 3.6). This suggests that search marketing efforts will have a secondary impact on the reservations received from other channels, including telephone and third party sites. This effect can be magnified if the hotel does not maintain rate parity or offers better value in other non-brand channels.

Final Insights
Accurately measuring the effectiveness of search marketing through key performance indicators and incremental revenue generated is complex. Search marketing has inevitably become part of the overall marketing portfolio. So, separating out the specific effects of search marketing is difficult. It's useful and informative for marketers to identify KPIs that indicate that increased website traffic has led to conversions, particularly when they are associated, at least on the basis of the timing, with actions taken, such as SEO efforts and keyword buys. However, capturing such effects through the property website alone may well understate the effect of search marketing, since there’s really no way to relate sales closed on other channels (such as the telephone) to the effects of search marketing.

So, here are some recommendations for tracking the effectiveness of search marketing activities:

- Develop a process to survey, monitor, or benchmark conversion of hotel website traffic for all distribution
channels, including the hotel website booking engine, phone reservations, group bookings, and secondary conversion on third party channels;

- Define what KPIs are relevant to measuring success of search engine marketing efforts (e.g., visitors, new visitors, page views, page views-per-visitor, click-throughs);

- For sophisticated analysis determine the effectiveness of search marketing efforts by tracking the search terms, referring search engines and directories, feeder markets, and visitors’ physical location;

- For additional sophisticated analysis, track the conversion paths, along with website entrance and exit pages;

- Track telephone conversion by placing dedicated phone numbers and codes in hotel websites;

- For group booking, use RFP and phone number tracking to capture website traffic conversion. Periodic surveys of sales leads may also be used to estimate the effect of search marketing on groups;

- Train front desk and sales force staff to record information from callers on how they heard about the hotel when answering phone calls or in face-to-face meetings; and

- Monitor secondary channels and overall changes in reservations relative to search marketing activity, and not just the website booking engine.

A Simple Search Marketing Analysis Tool

This report provides some rudimentary tools that can be used to analyze search data for hotels. It allows the user to capture a small set of data items from Google Analytics that, combined with some hotel specific information, can be used to derive an ROI for search activities and to evaluate some KPIs for keyword buys.

Simple Search Results Review Tool

An Excel spreadsheet tool accompanies this report on the Cornell CHR website that supports simplistic search results analysis. The tool uses data on search views (or impressions), click-throughs to the hotel website from a search engine, and subsequent recorded bookings. These data are available from Google Analytics (and from other search engines in some cases). The tool explains how to get the data from Google Analytics (also described above). Using those data, the tool estimates search-engine-driven revenue by using the net rate paid and length of stay for the recorded bookings. (This information should be available from the hotel reservation system.)

The tool also allows for the inclusion of bookings that may have been stimulated by the search process and brand website but were booked by the call center. To estimate this
revenue requires a hotel to track calls that likely came from someone using the site (e.g., with a separate toll-free number for the website). Length of stay and rate information for those calls (which should be available from the reservation system) can be used to estimate the search-driven revenue from those calls.

The tool provides a place to input the cost of search marketing. These costs could include payments to a vendor for search services, the cost of staff dedicated doing SEO or making keyword purchases, and the cost of keyword buys. Using this information, a search ROI can be calculated.

**Adwords ROI Calculator**

Another simple tool, also accompanying this report on the CHR website, allows the user to capture information about search keyword KPIs. These include the number of impressions (clicks), page position, click throughs, and cost per click for specific keywords. The tool allows the user to indicate the keyword (or keywords) as either “brand,” “generic,” or “combination.” This feature allows the user to track KPIs and analyze them over time, by type, or other criteria. Such information can provide some indication of the relative activity of for the keywords, the activity per dollar spent, and variations in such information for generic versus brand words.

**More Complex Analysis Is Possible (and Advisable)**

At best, these are rudimentary tools. Google Analytics (www.google/analytics/) and Omniture (www.omniture.com/en/) provide instructions and support for users to perform more sophisticated analysis. To do this, however, requires more investment of time by hotel staff or the engagement of commercial vendors who provide web analytical services. Also, to get at some higher analytical levels may require hotel reservation system capabilities that support keyword-driven click and booking tracking. As well, the website may have to have certain codes (available from the search engine) that can be embedded in the site's programming scripts to support tracking.

Effective search marketing is a critical component of a marketing strategy. Most any hotel management should be at least minimally active in managing that type of marketing. Using simple tools is a means to get started and should lead to the use of more sophisticated tools.
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