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Pay Per Click Marketing for Hotels



Hotel Pay Per Click Budgets

I'd like to talk about hoteliers spreading their PPC budget way too thin.

Let me explain:

PPC Cost per Click's (CPC's) have increased over the last ten-fifteen years dramatically, yet hotel budgets kind of stay the same for PPC budgets. It's important that your hotel keeps up with the rising costs of cost per clicks. I remember the day when you could buy a travel related keyword or hotel related keyword for 75 cents. Those days are long gone. That same keyword will now cost you as a hotelier \$5, \$10, or \$15, \$20 per click, yet your budget is still operating as if that keyword was 75 cents. So, it's important when you do your annual budgeting that you increase your PPC marketing allocation to be able to keep up with the trends and the market costs.

Google Pay Per Click

Now, in addition to this, unfortunately, Google, about a year ago, removed the right rail of the Search Engine Results Pages (SERPs). What that means for you, as a hotelier is that there are fewer opportunities for your hotel to actually appear on the PPC results page. Bigger brands, OTA's, other travel sites are bidding for the same terms you are and now have larger budgets (because they've increased accordingly and you haven't). So, it's important that you keep up your budgeting. Now hoteliers often come to us and say, "We want to focus not only on our transient campaigns, but we also want to focus on weddings and group business." Because that's big in 2017, but the down side is the hotel operators never have enough funds or additional funds to run those wedding and meeting campaigns. So, the result is you're thinning out your PPC budget even further, you're watering it down, you're spreading yourself too thin, as they say, from a marketing perspective you don't have enough marketing dollars.

Hotel Pay Per Click Budgets

Pay Per Click Advertising

So, you need to focus on what you're going after from a PPC strategy and make sure that you have the right budget allocated for that and your agency can help you determine what that right budget is.

Hotel ABC's of Pay Per Click Marketing

PPC is an ever evolving form of digital advertising that has proven to provide great results if you plan well, monitor your campaigns and spend the appropriate budget each month. It is an especially popular form of advertising for the travel industry. Hotels, in particular can benefit greatly from paid ads, as it gets you easily noticed when potential guests are searching for accommodations. However, in order to be successful, you must have the right strategy in place. This is where a lot of misconceptions about PPC come into play and your PPC advertising can prove to be ineffective if not handled properly. Hotels need to fully understand how PPC works and the repercussions that can occur if it's mismanaged.

One of the first things you need to decide for your PPC advertising is how much will you allocate to your monthly budget. There are quite a few factors to consider when determining your budget. Some of these include, what market is your hotel in, how many campaigns you will be running, and what the average cost per click is for the keywords you are targeting.

Let's face it, if your hotel is in a market like Miami or New York City you're going to need a larger budget than say a hotel in Des Moines or Bismark. Frankly, there just isn't a comparable volume of searches in these markets and this is one of the first items of consideration.

Hotel ABC's of Pay Per Click Marketing

How many campaigns you'll run is also an important factor. Hotels will often want to advertise their event space and so that may mean you'll consider a meeting and/or wedding campaign. This would probably be in addition to a general hotel/location campaign. Depending on your market, there may also be popular local attractions that you'll want to focus on, which would require yet another campaign. So, keep in mind that your monthly budget needs to be distributed among all running campaigns and you don't want to stretch that budget too thin because that may lead to having campaigns that don't have budgets healthy enough to be effective.

In addition to spreading the budget over the number of campaigns you have, you also have to distribute the monthly budget over the 30 days within the month. So, for example, if your monthly budget is \$750 and you divide that by 30 days, you have a daily budget of only \$25 to spend. Although it may seem that \$750 is a large chunk of your advertising budget going toward PPC, in actuality it really isn't when you break it down to the daily budget. This is where your keyword cost per clicks are going to be very important to understand. Let's take a market like New York City. As you see in the screen shot below, these are 3 keywords that have very high cost per click rates of \$19.90, \$18.24, and \$22.55. This means that a bid on any of these keywords will decrease your daily budget by the respective price. If the daily budget is \$25 then you can only afford to get one click per day with high priced, competitive keywords such as these. It's important to remember that once you exhaust your daily budget, your ads are no longer shown until the next day when your daily budget replenishes itself. Also, if your budget is only allowing for 1-2 clicks per day, the traffic to your website will be pretty dismal at only 30-60 visits in an entire month!

Hotel ABC's of Pay Per Click Marketing

Keyword	Cost per Click
"boutique hotels new york"	\$19.90
+boutique+hotels+in+new+york	\$18.24
+nyc+boutique+hotels	\$22.55

In a situation like this it would be more appropriate to have a monthly budget in the range of at least \$3500-\$5000. This will increase the daily budget and allow for more clicks, which leads to more website visits, which leads to more opportunities for bookings.

You will also want to consider seasonality when planning your PPC campaign budget. You will most likely not need the same monthly budget throughout the year. Historically, many markets will see a decrease in traffic during September due to summer coming to an end and families getting into "back to school" mode. This would be a prime example of a month where you may decide to decrease your budget. Whereas, you may want to consider increasing your budget when the winter holiday season begins to approach, as consumer searches tend to be on the rise during this time.

Although a proven effective way to market yourself, there needs to be a full understanding of PPC and the correct campaign management in order to achieve positive results. Taking all of the above factors into consideration, understanding the market and carefully planning your budget, will put you on the right track for success in PPC advertising.

About Lodging Interactive

Headquartered in Parsippany, NJ, Lodging Interactive is a full-service digital marketing and social media engagement agency exclusively servicing the hospitality industry. Through its web design and search optimization division as well as its **CoMMingle Social Media Division**, Lodging Interactive provides effective Internet marketing services to hundreds of branded and independent properties as well as management companies, restaurants and spas. The company also offers fully managed Live Chat agents for hotel websites through its **LiveChatForHotels.com** division.

Lodging Interactive is an HSMAI Adrian Award winner, and has won awards from the International Academy of Visual Arts, Interactive Media Awards, Horizon Interactive Awards, Web Marketing Association, Academy of Interactive & Visual Arts, and Travel Weekly's Magellan Awards have recognized Lodging Interactive as an industry leader.

Lodging Interactive is a proud supporter of the Hotel Sales & Marketing Association International (HSMAI) and the company's president, DJ Vallauri, currently serves on the Board of Directors of HSMAI's New York Chapter. For more information, please contact sales@lodginginteractive.com, 877-291-4411 or visit the LodgingInteractive.com.

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Thank You!