



BEST PRACTICES FOR HOTEL WEBSITE ANALYTICS

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For More Information

For more information and background on this topic, see the HSMAI white paper *Engaging Online Travel Shoppers Through Integrated Marketing*, also produced in partnership with Vizergy and authored by Tim Peter.

And, plan to attend HSMAI's upcoming Digital Marketing Strategy Conference where you'll get the answers you need to meet the challenges that lie ahead in 2012.

Digital Marketing Strategy Conference

February 28, 2012 • New York City

In its 10th year, this conference is recognized by industry leaders as the unbiased source for insights on the landscape, emerging innovations and best practices, and their implications for attendees. A few of the topics that will be addressed include:

- SOLOMO (SOcial, LOcal, MObile) and the must-dos for hotels and destinations
- Capturing more direct channel business
- Managing the M-commerce explosion
- Using social media as an effective customer engagement channel
- Attributing success and assigning credit for what's working in digital

Introduction

A popular management maxim states, “You can’t manage what you can’t measure.” By contrast, all marketers likely have heard John Wanamaker’s adage, “Half my marketing is wasted; I just don’t know which half.”

Since its inception, the promise of online marketing and e-commerce included the channel’s inherent accountability, the ability to monitor and measure every click and every conversion. Over the last decade, hotels, resorts, management companies and brands have invested time and money into realizing that promise, or, in other words, finding Mr. Wanamaker’s wasted marketing. Still, the question remains: Are hotel marketers able to measure – and manage – their online marketing? Or are they still unsure which half of their marketing is wasted?

In the recent HSMAI white paper, “[Engaging Online Travel Shoppers Through Integrated Marketing](#),” we note the importance for travel marketers to focus on the right success measures. But, based on the results of a recent HSMAI survey, many hotel marketers feel as though their analytics efforts represent a promise not fully realized. While most highlight their use of analytics to improve marketing results, continued dissatisfaction and a need for more useful information remain. The key question is how willing hotel marketers are to commit to greater investment in training, tools, and personnel to close those gaps.

This report focuses on answering these questions. Developed through one-on-one interviews with hotel marketers and experts, in-depth research and the results of HSMAI’s 2011 Web Analytics survey, we will examine best practices for web analytics among hotel marketers and how they can apply those practices in their business.

Overview of Best Practices

Hotel marketers face many challenges in using analytics. But most common among these may be knowing where to begin. While powerful tools like Google Analytics, Adobe Omniture SiteCatalyst and Webtrends exist to help marketers understand their marketing activities, many hotel marketers struggle with separating the wheat from the chaff and zeroing in on the information that matters most. As one director of marketing noted, “Sometimes you get into the analytics and you can’t get out, so I try not to get too hung up in the minutia of the data.”

Given these struggles, HSMAI recommends the following best practices for putting analytics to work in your organization:

1. **Focus** on Core Metrics.
2. **Engage** Your Team.
3. **Build** on Your Successes.

This framework, illustrated to the right, seeks to provide you the basis to make the best use of web analytics in your marketing efforts and to grow your sales and marketing success. In each of the following sections, we will break down these practices and help you develop a roadmap towards analytics excellence.

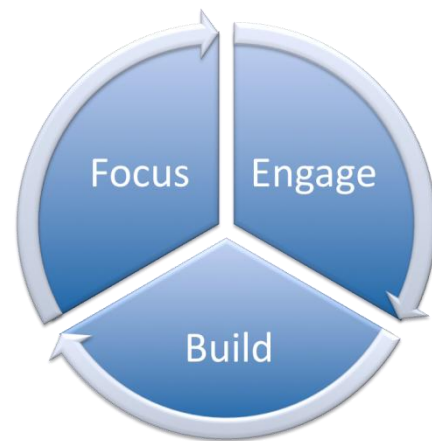


Figure 1 - Focus, Engage, Build Framework for Web Analytics

Focus on Your Core Metrics

Analytics exist to answer questions. Simple, everyday questions like, “How well does our marketing work?” or “Where did people find out about us?” All the jargon around pageviews and page depth, referrals and recency, frequency and funnels exists only to aid in answering those questions.

Given that, before diving into data, marketers must step back and ask first exactly what it is they want to know. Successful marketing efforts depend on a common set of shared objectives throughout the organization. Use those objectives to drive your analytics activities. Define your business objectives before looking at your data or web analytics tool. Whether using in-house resources or engaging an outside firm, understand what questions you want answered first, then challenge those resources to answer them.

Meaningful Business Metrics

Establishing meaningful business metrics – determining what questions you want answered – ensures the data you receive meets some simple criteria. While we'll examine specific measures and how they align to this list in the next section, all effective web metrics share the following key attributes.

- **Business-focused:** These aren't "web metrics" at all. They're business metrics. Effective metrics focus on answering business questions. Does the question you're answering "move the needle?" Remember the 80/20 rule — pay attention to the things that drive the business first, then move on to other "interesting" things.
- **Actionable:** To turn the quote referenced earlier on its head, "Measuring items you can't manage is pointless." Focus your analytics around areas you can change directly or at least influence.
- **Timely:** Learning what happened in your business six months ago makes it very hard to repeat the process. While "real-time" analytics (or daily, for that matter) may be overkill for some organizations, reviewing data monthly (or less often) may not allow you to correct for any problems.
- **Segmented:** Improving your web performance – whether increasing traffic, engagement or conversion – requires targeted action. Segmenting site visitors by source, frequency or activity helps you determine which visitors to target – and often highlights necessary actions.
- **Trended:** A number in isolation tells you nothing. You've also got to see the direction your numbers are moving to identify larger trends.

As you examine the sorts of business questions you want to receive from your analytics efforts, consider the following:

- Greater overall revenue
- Incremental visits from existing guests/greater retention
- Longer length of stay
- Acquisition of new guests/new guest segments
- Increased ADR
- Higher occupancy
- New loyalty club members or expanded email marketing list
- Improving group and meeting leads
- Greater website traffic

Virtually any web analytics tool on the market can help you answer how effectively your marketing efforts lead to these business outcomes. But most require some level of configuration or interpretation to aid in that assessment. Without a clear understanding up-front of which questions you seek to answer, your analytics provider (whether internal or external) will struggle to deliver the answers you need.

Happily, few marketers need to reinvent the wheel when it comes to answering their marketing questions. Existing practices provide answers to many common marketing challenges and most analytics tools offer functionality "right out of the box" to address marketing needs.

The 80/20 Rule

“The great thing about standards,” a cynic once said, “is you have so many to choose from.” The same can hold true with metrics. However, business-focused web analysts look for the vital few and ignore the trivial many. While no single, magic number exists (especially, as we will see, when it comes to conversion rate), you can minimize the amount of data that you’re reviewing regularly to a limited set by paying attention to those that drive the majority of your business and reviewing other information on a less frequent or as needed basis.

Common Metrics

The most common metrics within web analytics typically seek to measure four types of activity:

1. The amount of traffic your website receives.
2. The sources that originate that traffic.
3. What visitors on the site do while there.
4. Whether that traffic turns into a sale.

Consider again the questions you seek to answer when evaluating which metric or metrics will work best for your sales and marketing activities. The following table illustrates metrics many analysts recommend, as well as their suitability to answer key marketing questions. While this list is by no means comprehensive, it identifies metrics available in most tools and immediately applicable to marketing challenges.

Metric	Goal Served	Rationale
Visits, Unique Visitors	Marketing effectiveness, brand awareness	Visits, sessions, unique visitors and similar metrics count the volume of traffic a site receives. They help marketers identify when customers come to the site and whether various marketing activities increase awareness of the hotel’s brand.
Bounce Rate	Guest interest, engagement	Bounce rate – defined as the percentage of visits that leave the site after viewing only one page – provides insight into guest interest in marketing offers. Pages with high bounce rates fail to engage customers and point marketers to ineffective messaging, poor customer experience or both.
Referrers, Traffic Sources	Identify valuable traffic sources	Referred traffic – that is, visitors who followed a link from another site – highlight guest interests and potential marketing opportunities to your hotel’s team.
Search, Search Terms	Guest interest, traffic sources, marketing effectiveness, brand awareness	Most analytics tools provide easy access to the search terms guests used prior to coming to your site. Reviewing these terms helps marketers understand what their guests care about and how to speak to guests in their own words. For instance, few guests ever search for “accommodations,” no matter how often hotels may use the term internally. Similarly, changes in how often guests search for a hotel’s name, brand or location may point to the effectiveness and reach of marketing activities.
Top Content, Top Pages, Most Viewed Pages	Guest interest, engagement	Whether called top content, top pages, or most viewed pages, the concept is the same: Where are your guests spending their time on your site? Marketers can then use these pages to promote the hotel’s benefit to the greatest number of site visitors.

Best Practices for Hotel Website Analytics

Conversions Delivered to Booking Engine (CDBE)	Purchase intent	Guests who enter the booking engine typically signal purchase intent or an interest in comparative rate shopping. High abandonment rates from the booking engine may result from poor user experience, limited content, ineffective value proposition, high rates or, often, the combination of these factors.
Conversion Rate, Reservations, Revenue	Business results	Conversion rate – as is typically defined in the hotel industry – measures the percentage of visits or unique visitors resulting in a reservation. Given that reservations represent the ultimate measure of marketing success for many hotels, this paper will explore conversion rate in more detail below.

As noted, the most effective representation of each of these metrics provides actionable insight when viewed both trended and segmented. For example, Figure 2 illustrates conversion rate and traffic segmented for each of multiple traffic sources.

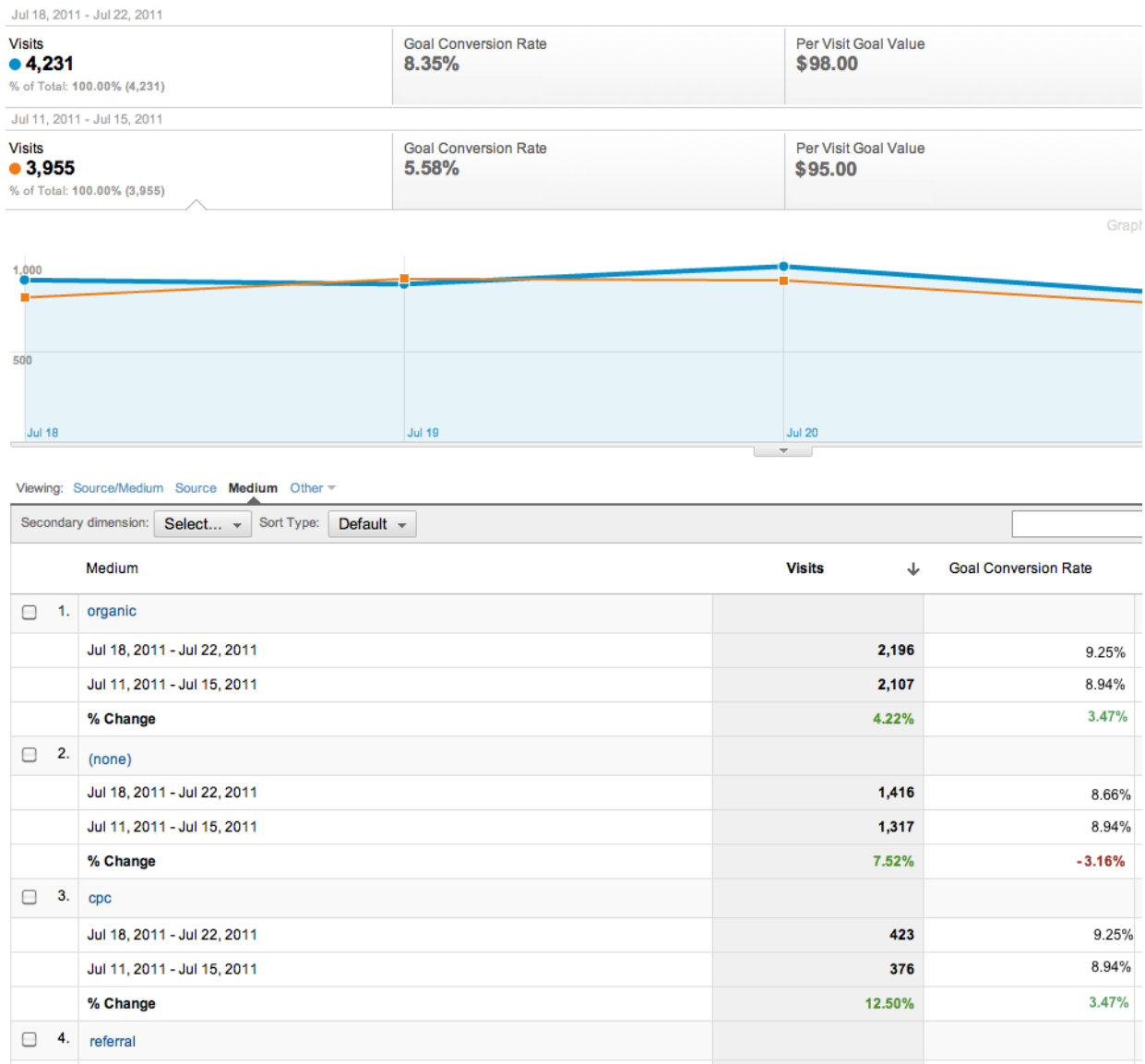


Figure 2 - Conversion Rate and Traffic by Traffic Source

Many hotels already use a number of these metrics as part of their regular reporting activity. According to HSMAI's July 2011 Web Analytics Survey, more than two-thirds of hotels rated the following as most important:

- Direct online reservation revenue
- Conversion rate
- Natural search revenue
- Paid search revenue
- Reservation page abandonment

Given the attention most hotel marketers give to getting “heads in beds,” this is unsurprising. After the top list, several “second-tier” metrics emerge clearly. Hotel marketers appear to rate the following attributes both secondary to their core concerns and roughly comparable to one another in terms of overall importance:

- Unique visitors
- Time on site
- Clickstream
- Pageviews
- Geographic location of site visitors

One interesting point to note is that the survey respondents were equally likely to rank geographic location of site visitors important, unimportant, and neither important nor unimportant. This may point to some marketers segmenting customers by feeder markets in their online marketing and may provide an untapped opportunity to improve marketing results for those ignoring the data today.

Timely Data

Among the more common questions web marketers face is “How often should I review my reports?” While no one answer exists to this question, the simplest answer is often the best: As frequently as you plan to act on the information. For sales and traffic data, consider a weekly, or even better, daily review. While you want to avoid making “knee-jerk” reactions to short-term fluctuations, reviewing sales information only once a month may seriously inhibit your ability to improve subpar results, particularly for hotels that rely on seasonal business. Other data, such as bounce rate, top pages, referrers and the like may be reviewed monthly, but again, adjust the review period based on your needs and ability to respond.

Report Segmentation

Again, as the goal of web analytics is to provide online marketers actionable information, segments direct your marketing team to the most effective sources of traffic and revenue. Typical segments include:

- Direct navigation: Guests who type your URL or follow a saved bookmark.
- Search: Guests using search engines to find your site, further divided by:
 - Paid search – Guests following links from paid search advertisements
 - Natural search – Guests following links from organic/SEO-driven search results
- Referred: Guests following links from other sites, further broken down into:
 - Paid – Links in paid media
 - Earned – Links created by other sites such as blogs or new media that do not receive compensation for providing the link
- Email: Guests visiting site from your email marketing efforts
- New visitors vs. repeat visitors
- Loyalty members vs. non-loyalty

Most reporting tools provide these segments, or their equivalent, by default. And, as noted, you don't need to review every segment continuously. Look for the segments that drive your business. Focus on those regularly. Then, as time and resources permit, look for ways to increase business from the other segments. Sometimes the best action is to discard meaningless data in favor of that which actually matters to the business.

Trends

According to eMetrics.org's [The 101 Things You Should Know](#), "A good analyst is always on the lookout for anomalies. What stands out? What has changed the most?" Anomalies help marketers dig into their data and gain deeper insights into what's working – or not – among their activities.

Trends identify those anomalies. It takes little expertise to look at a graph such as presented in Figure 3 and ask "What happened here? What did we do differently that caused these results?"

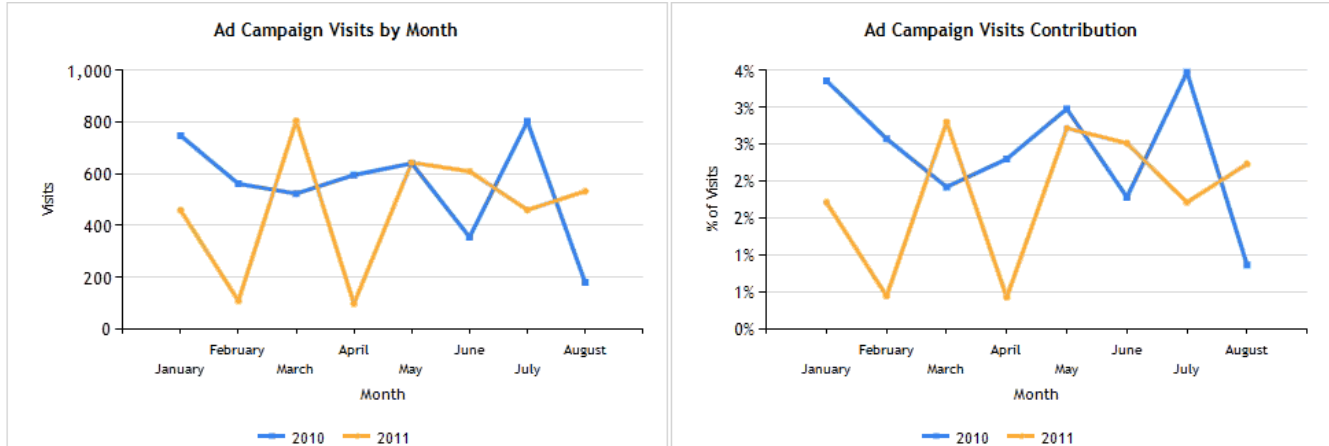


Figure 3 - Trended Data

Almost all tools on the market today provide graphical representations of the data for year-over-year, month-over-month or custom periods. Additionally, some reporting tools highlight trends over multiple periods, such as current period year-over-year and year-to-date as seen in Figure 4.

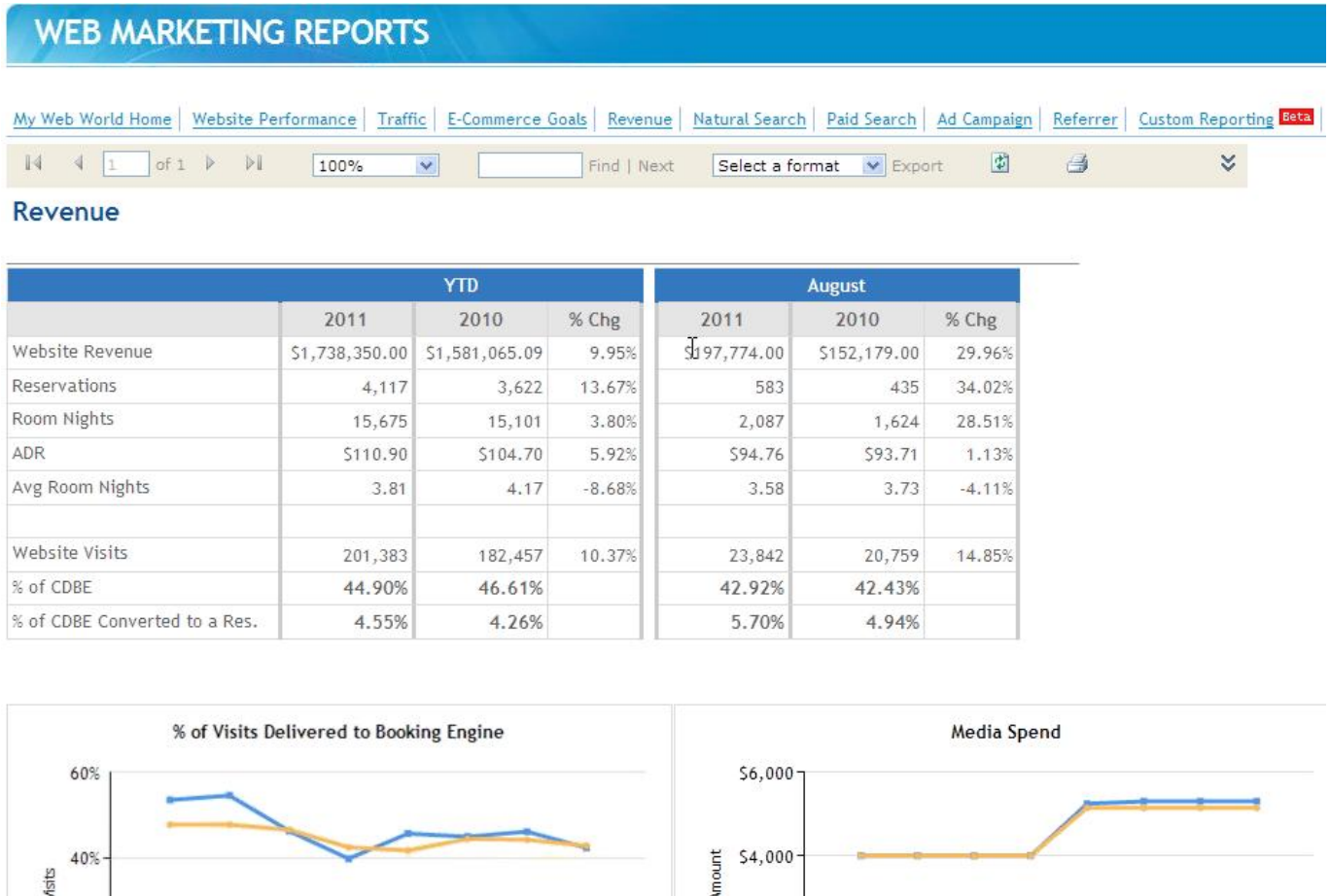


Figure 4 - Custom Reporting with Conversion by Segment

Reviewing trended data – and, especially, trended data for those segments driving the business – provides analysts exactly the business-focused, actionable information necessary to improve business results.

The Conversion Rate Myth

Of course, few metrics carry more weight than “conversion rate.” Unfortunately, conversion rate, as typically defined, often paints an incomplete picture of customer activity.

As conversion rate aggregates at least two sources of information – traffic and reservations – it clouds necessary detail regarding customer behavior. For instance, a marketing activity that grows traffic at a faster rate than sales can actually produce a lower overall conversion rate – even though both traffic and sales increase.

Additionally, as analytics guru Avinash Kaushik writes,

It is almost criminal that even the best in the business have a ‘one night stand’ mentality when it comes to marketing and user experience (‘come and buy NOW NOW!’) rather than having a sophisticated ‘date, engage, marry, babies’ approach. The latter approach mandates not just having a ‘macro-conversion’ on the website (book hotel) but also a number of ‘micro-conversions’ (submit an email address, write a review, print hotel information, email a friend... I could keep going). Micro-conversions lead to a deeper engagement at the pace that the website visitor is comfortable with, which then leads to the big macro-conversions the business cares about. Understand the new paradigm of doing business and then create a user experience to fit.

Interviews across the industry underscore the need to identify “micro-conversions.” As Joe Hyman, VIZERGY CEO and member of HSMIA’s Digital Marketing Council, notes, “Your pages are a retail store. How are you drawing people deeper into the store?” If you’re only looking at conversion as a single event, you may miss key steps in the process that hurt your overall sales. Do your top entry pages have high bounce rates? Do large numbers of visitors exit from a specific page? Metrics such as these speak volumes about consumer behavior but often get missed due to excessive focus on “conversion rate.”

Similarly, few hotel marketing companies measure conversions other than reservations. But these “alternative conversions” provide real business value. For example, how effectively does your website attract customers to sign-up for your email marketing campaigns or loyalty program? As these often prove highly effective in integrated marketing efforts, these conversions also represent success on the site.

For example, conversion rate needs to account for varying customer goals. Meeting planners and group travel agents rarely “convert” in the traditional sense. But generating RFPs remains a valuable – and consistently overlooked – conversion activity on hotel websites. Respondents in HSMIA’s July 2011 Web Analytics Survey consistently rated group sales statistics as least important. In fact, RFP Conversion Rate and Number of RFPs were the only two metrics rated “Unimportant” by a greater number of respondents than those rating it “Important.” In follow up interviews, respondents frequently noted the lack of integration between group sales and online marketing activities. While some acknowledged the influence of online activities to driving leads, group sales departments appear to operate independently of online marketing. Hotels, management companies and brands that work to bridge these gaps may find ways to drive increased group sales business and offer a point of differentiation from their competition in the marketplace.

Finally, many hotel marketers seek to achieve “industry average” conversion rates. Unfortunately, no such thing exists. The metric used to define traffic varies: Some analysts measure conversion by dividing unique visitors into reservations; others use visits instead. Some look only at visits entering the booking engine, while others measure through to reservation confirmation. Some subtract cancelled reservations, while others ignore cancellations. Additionally, the period that defines a visitor as unique, new, or repeat often varies by reporting

tool or configuration. And each of the many analytics tools on the market measures visits and visitors slightly differently. As such, no two sites can compare their conversion rates unless they're using the same tool, configured the same way, by the same analyst and tracking to the same goal. Chasing "industry average" conversion rate distracts hotel marketers from their main objective: providing a valuable service to guests to increase both site traffic and reservations.

None of this is to suggest that measuring conversion rate is a bad thing. Nor is looking at benchmarks. However, marketers benefit most when looking at what conversion rate means and how to serve the needs of their guests most effectively online. Focus on traffic growth and reservation growth trends first and let your competitors worry about whether they're keeping up with you.

Engage Your Team

It's no secret that many hotels and hotel brands make do with limited resources and growing "to-do" lists. Few hotel marketers have the time or available resources to develop and review such measures with the necessary frequency to get the greatest return on their investment. As one director of marketing mentioned, "I am responsible for GDS, OTA market, central res and website. I can only give so much attention to any one area."

One best practice to address this challenge involves engaging additional team members in the outcome. Tighter integration across functional areas helps hotels tell their story most effectively. And few tools help your team understand how effectively they are telling that story than solid data. Rather than looking at web analytics as "just another to-do" on your list, consider how to use the data to engage and support your fellow team members.

For example, as mentioned above, many hotels note the lack of integration between group sales and online marketing activities. While some acknowledged the influence of online activities to driving leads, group sales departments appear to operate independently of online marketing.

All players in the reservations process – hotels, management companies, and brands – stand to benefit from increased integration and data sharing. Again, according to Avinash Kaushik, the best practice for online marketing is "Segment like crazy and hold every single dollar spent on marketing and advertising and website design at work accountable for delivering economic value to the business."

Management must establish clear ownership of all market segments – corporate, group, and transient – and clear goals for each group in support of these segments, then use appropriate measures, such as those outlined above, in tracking progress towards those goals.

Learn to Use Your Tools More Effectively

Of course, "actionable" web metrics without appropriate resources is a contradiction in terms. And holding people accountable without appropriate information is meaningless. One best practice involves using outside resources to aid with online marketing activities. However, even when using an industry leader to provide such services, many hotel marketers would benefit from a deeper understanding of the data and the tools in use.

As Joe Hyman suggests, "You can save a lot of time and money by taking the time to understand your tool's output upfront." Dwen Doggett of DDSA Partners takes this a step further, referring to a "90/10 rule: 90% of the value comes from understanding your tool and only 10% from the tool itself." And experts such as Avinash Kaushik, Jim Sterne and Eric T. Petersen agree that the amount of effort spent learning how to use your analytics tool – even if it's a "lower quality" tool – provides at least as much value as the tool itself.

Tools in common use among hoteliers and brand marketers, such as Google Analytics, Adobe Omniture SiteCatalyst, Webtrends and others, provide impressive amounts of information to their users. But many of

those users struggle to digest the myriad options and mountains of reports they're face with. Despite relying on the output from those systems to drive business decisions, many acknowledged their fundamental struggle to understand how those reports and their underlying data affect their business.

In response, hotel marketers must focus on a core set of reports – based on the meaningful business metrics outlined above – and work with their provider to understand exactly what those reports mean. For instance, each tool may define “standard” terms, such as visit, visitor, or bounce rate differently. Take the time to understand what that term means in your tool to direct your attention in the right areas when working to improve trends in those areas.

Additionally, work with other members of your team to help them understand the meaning behind the metrics. If you're seeing a particularly high bounce rate on your rates page, what does that mean to your revenue manager? If your group sales page generates few leads, how can you better convey the sales team's message to their audience?

Whether you are responsible for producing your web analytics reports, acting on those reports, or simply holding others accountable for the results those reports measure, your effectiveness suffers if you lack grounding in what those data mean. Develop an appropriate plan to work through one report a week until you have a firm grasp of the underlying data, then review those reports regularly to put that data to use.

Build On Your Success

While many marketers focus on metrics from each of these types, many struggle with tying these data together into a detailed understanding of their guests' behavior online. Both the HSMAI July 2011 Web Analytics Survey and follow-up interviews with hoteliers identified three common themes:

- Hotels are doing the best they can with the resources, tools, and knowledge at hand.
- Hotels seek more information than what is available from their existing tool – or, if it is available, require more knowledge of how to access it.
- The demands on hotel marketers' time limits their ability to dive deep into their analytics tools.

These challenges persist regardless of whether the marketer works for an individual hotel, a management company or a brand.

However, using the techniques outlined earlier, you can begin to develop a more accurate picture of the customer and put your analytics capabilities to better use. Establishing an effective analytics practice requires:

- **Starting small**, focusing on those few reports and few segments that represent the majority of your business. Remember “the 80/20 rule,” putting emphasis only on those metrics and segments that represent the bulk of your business. You don't need to know every detail of every statistic inside and out. By using those “critical few” metrics most meaningful to your business, you limit the demands on your time and put your resources to work where they can deliver the greatest benefit.
- **Engaging your team** in the overall analytics process. Most successful marketers enlist support throughout their organizations to produce their desired results. Similarly, responsibility for measuring and understanding those results “belongs” to the organization as a whole. Work with your external partners, tool providers and internal team to distribute that responsibility to those most able to effect change.
- **Learning to use your tool** more effectively. Your analytics tool is just that: a tool. Placing the finest surgical tools in the hands of a first-year med student doesn't produce great results and neither does putting the greatest analytics tool in the hands of someone ill equipped to use it. Most vendors provide excellent training materials for their tools. Additionally, many webinars and training sources available online discuss both web metrics generally and various analytics tools in detail. Look to these resources

to aid in your learning process. By learning first how your tool measures your key metrics and what those metrics mean for your business, your ability to affect meaningful change increases dramatically.

Finally, analytics represents an iterative process. Your first efforts should focus on gaining an understanding of what's working and what isn't in your online marketing, using that information to modify and improve your existing tactics. Then, expand outward, educating others within your organization on what you've learned – and what you've improved. Lastly, apply that learning throughout your budgeting process, trimming unnecessary expenses and allocating additional resources to your most productive marketing areas. Many hotels find that they're not spending enough on their marketing activities; however, just as many find that they're spending the right amount, but in the wrong areas. Ultimately your goal for any measurement activities is to learn whether or not that's true for your organization.

Analytics Implementation Checklist

As you begin implementing an analytics focused approach across your organization, use the following checklist to ensure you're on the right path.

<input type="checkbox"/>	Identify 3 or 4 strategic goals for your marketing efforts. Tracking just for the sake of tracking makes no sense. Ensure you understand the goals important to your organization before you start measuring. Limiting this set to 3 or 4 enables you to focus on only those measurements most important to the organization as you develop your analytics capabilities.
<input type="checkbox"/>	Determine conversion actions that support those strategic goals. While reservations likely remain your most important conversions, email sign-ups, loyalty enrollment, RFP requests and others also represent useful business outcomes. Determine which actions matter most and include them in your analysis.
<input type="checkbox"/>	Work with your analytics vendor to configure your defined conversion actions within your reporting tool. Include segmentation using the "Report Segmentation" list on page 6 to evaluate where your most valuable traffic comes from. Additionally, review the Metrics table on pages 4-5 for additional measures and the goals they align with best.
<input type="checkbox"/>	Identify the segments producing greatest conversion for each conversion action. Start with your most important conversion action, measuring activity during peak and shoulder periods to determine your core segments. Note any variation in your conversion patterns and look for possible causes. Repeat this step for each conversion action as you move forward.
<input type="checkbox"/>	Set improvement targets. Once you understand both your conversion rate and the segments driving those conversions, set a clear, measurable target for improvement. Ultimately, the point of any analytics efforts is to produce improved business results.
<input type="checkbox"/>	Develop an action plan for achieving performance improvements. Using the identified segments, determine specific actions focused on each segment to drive desired improvements.
<input type="checkbox"/>	Evaluate changes in metrics based on outcomes from your action plan. Share these results across your organization to build support for ongoing efforts.

While this list covers these steps only at a high level, the important point of any analytics activity is to focus on how you're using the metric to improve business results. Continually align your measurement capabilities against core business objectives. Doing so will both help to improve the organization and make the case for continued investment in your analytics capabilities.

Advanced Topics

Once you have begun to master the steps outlined previously, you can expand your efforts to focus on more challenging questions. The list below offers several of the more common questions marketers and business owners seek to answer and potential ways you can answer them for your organization.

How can I measure the value of offline marketing?

Multiple methods exist for measuring offline marketing. One common way is requiring customers to enter an "offer code" or "response code" at checkout. Unfortunately, studies show these sometimes result in customers leaving the site to search for an offer code, never to return. Additionally, until the guest enters the code, your marketing team may not know how much traffic the marketing generated. A more effective method involves establishing a specific landing page or vanity URL, a web address specific to the campaign (for example, www.myhotel.com/offer), and tracking traffic to that URL. Less sophisticated, but still valuable, review trends for how often guests searched for terms related to that marketing initiative and whether that traffic segment resulted in sales at a higher rate than other segments.

Can I measure web traffic resulting in voice reservations? Walk-ins?

Yes. Many suppliers provide call tracking from advertisements and websites at a reasonable cost. Additionally, look to see if email addresses generating click-throughs to your website appear attached to reservation confirmations from other sources. Data shows that the majority of people reserving today have visited the hotel website prior to reserving regardless of channel selected.

How can I see how I'm doing relative to my competitors?

Benchmarks can provide key insights into your success relative to the market, earlier admonishments about conversion rate aside. Services such as Compete.com, Quantcast, Alexa, comScore, Google Ad Planner, Coremetrics and even (to a degree) Google Analytics provide useful competitive information. However, as each of these services (and many others not mentioned here) uses proprietary, distinct and imperfect methodologies, understanding *how* they generate their information takes on additional importance.

Can I measure the value of mobile customers? Social customers?

Yes. While specific methods vary by tool, few on the market today fail to provide segments for mobile and social customers. You can also infer this information from older, less powerful tools by examining such things as Referral Traffic or the browser details provided. Consult with your service provider for specific details.

My agency provided me several ideas for a campaign. Can I easily test which one works best for my customers?

Yes. Google Website Optimizer, Optimizely, Omniture SiteCatalyst, Webtrends, Visual Website Optimizer and others provide excellent and reasonably priced tools for testing more than one offer or option at time. A/B testing, and its more sophisticated big brother multivariate testing, offer marketers key insights into what drives purchase decisions. However, the more sophisticated the test, the more "a little bit of knowledge" can hurt you. Consult with your analytics provider for more options.

As these examples illustrate, web analytics can help marketers uncover many details about their guests' behavior online – and offline, too. As your capabilities mature, look for opportunities to align your web analytics with other data sources, including reservations and customer relationship management (CRM) data to paint an even more detailed picture of what's working. As eMetrics.org notes, marketers and web analysts should think in terms of the following mantra: *We can improve this number by this percent in this time frame if we run this test for which we will need these resources.*

As noted, with a focus on the big picture and the critical few items that matter in their analytics, web marketers can improve their profile within the organization – and, more importantly, the business results associated with their activities.

Conclusion

Despite the challenges facing hotel marketers in their analytics efforts, it appears most are doing the best they can with the time, tools, and personnel available to them. Almost all exhibit a desire to continue to improve their analytics capabilities and their online marketing activities. And, rightfully so. A data-driven focus, one that relies on clear, consistent, well-understood metrics, shared across the organization, often separates those achieving success online from those struggling to deliver. Wanamaker was right to worry which half of his marketing was wasted, but lacked the tools necessary to find out.

Today, that's not the case. Web analytics tools can help hotel owners and marketers identify what's working and what isn't. But developing the capabilities to get the most from those tools requires a continued commitment to resources, time and training. Results won't happen overnight. It will take time to gain a comfort level with the methods and mindsets underlying an effective web analytics system.

At the same time, a successful web analytics strategy doesn't require marketers and hotel owners to "go all in," either, attempting to go from a standing start to 100 MPH in a matter of seconds. Instead, to realize the desired improvements, web marketers following the Focus-Engage-Build framework outlined in this paper can develop their capabilities incrementally, focusing first on your core metrics, then engaging your team internally and externally, and, finally, building on those successes.

Analytics are not an end unto themselves. They support a hotel's overall marketing efforts to ensure neither half of their marketing is wasted. When you consider the amount of time, money and energy deployed attempting to market a hotel, the value of any waste almost always outweighs the cost necessary to understand its effectiveness.

By starting small and placing a clear focus on increasing your understanding of your existing tools and metrics, many questions obscured by jargon gain answers – and the actions needed to improve business results, too. By focusing on a small set of metrics to start, you direct your attention to the "critical few" that will move your business forward, avoiding distraction from the "trivial many" that create busy-ness without improving business. By working with your team, you share the workload and the success to drive engagement, instead of just adding to your "to-do" list with little to show for it. And by building on those successes, you make the case for the continued investment necessary to manage your business, not just measure it.

Glossary

The following glossary identifies and defines common web analytics terms. However, as different web analysis tools often provide alternate definitions based on their context. Please consult your tool's documentation or vendor to eliminate any confusion.

% Exit — The percentage of “*Visitors*” who leave from a given page. Used to measure the pages from which “*Visitors*” most often leave the site.

Active Time / Engagement Time — Average amount of time that “*Visitors*” spend interacting with content on a web page, based on mouse moves, clicks, hovers and scrolls. Unlike “*Session Duration*” and “*Page View Duration / Time on Page*,” this metric usually measures the time spent on the final “*Page View*” accurately.

Bounce — Bounces occur when an identified client views one page, then exists without viewing any other pages prior to leaving. May be subtracted from “*Visits*” in some tools.

Bounce Rate — The percentage of “*Visits*” where the “*Visitor*” exits from the first page visited without visiting any other pages on the site between the entry and the exit. Frequently an indicator of issues with page content, poorly targeted traffic to the page, or both.

Click — A single instance of a “*Visitor*” following a hyperlink on a given web page. Many web analytics tools segregate internal clicks (i.e., pages on the same site) from external clicks (i.e., pages on another site) and may require configuration to track “outbound” clicks (i.e., those leaving the site).

Click Path / Click Stream — The sequence of pages followed by one or more website “*Visitors*” on a given site.

First Visit / First Session / New Visitor — (sometimes known as ‘Absolute Unique Visitor’) A “*Visit*” from a previously unidentified “*Visitor*”.

Frequency / Sessions per Unique Visitor — How often “*Visitors*” “*Visit*” a website. Usually calculated by dividing the total number of “*Visits*” by the total number of “*Unique Visitors*.” Often used as a measure of loyalty from your audience.

Hit — A request for a file from the web server. Available only to those using “*Log Analysis*”. While, historically, web administrators used hits as a measure of site popularity, this number is usually misleading, dramatically over-estimating popularity. For instance, a typical web page consists of multiple (often dozens of) discrete files, such as images or embedded videos, each of which is counted as a hit as the web server delivers the page. Pages containing more discrete elements thus produce more hits than pages with fewer elements for an identical number of “*Page Views*.” This dramatically overstates “hits” received, despite no actual increase in site popularity. For this reason, Avinash Kaushik, among others, refers to hits as “How Idiots Track Statistics.” See “*Unique Visitors*,” “*Visits*,” “*Page Views*” and *Common Metrics* (p. 5) for more realistic and accurate measures of site popularity.

Log Analysis — A method of web analytics based on aggregating the records of server activity in web server log files. In contrast with “*Page Tagging*,” log analysis captures every request made of the server and every server response (see “*Hits*”), but cannot easily track “*Click Streams*” and may undercount visitor activity due to page caching. While some vendors continue to support Log Analysis (and may prove particularly useful to IT efforts), “*Page Tagging*” tends to be the more common web analytics method for marketing activities.

New Visitor — See “*First Visit*.”

Page Depth / Page Views per Session — The average number of “*Page Views*” site “*Visitors*” view/interact with prior to exiting the site/ending their sessions. Calculated by dividing the total number of “*Page Views*” on your site by total number of sessions. Also commonly called Page Views per Session or PV/Session.

Page Tagging — A web analytics method consisting of inserting an “invisible” image or a “server callback” into a web page to track browser activity. In contrast with “*Log Analysis*,” Page Tagging can provide additional information to marketers about customer activity and does not suffer from the same undercounting challenges (which isn’t to say it’s a perfect counting method). Page Tagging currently represents the most common method for conducting web analysis.

Page View — A “*Visitor*” receiving a single page, as measured by “*Page Tagging*” or “*Log Analysis*.”

Page View Duration / Time on Page — Average amount of time that visitors spend on each page of the site. As with “*Session Duration*,” most analytics programs typically cannot measure the length of the final “*Page View*” without custom programming.

Repeat Visitor — A “*Visitor*” that has made at least one prior “*Visit*”. The period between the last and current “*Visit*” is called Visitor Recency and is typically measured in days.

Session — See “*Visit / Session*”

Session Duration — Average amount of time that “*Visitors*” spend on the site each time they “*Visit*.” This metric can be complicated by the fact that many analytics programs may not measure the length of the final “*Page View*.”

Site Overlay — A display technique consisting of placing graphical statistics alongside links on a given web page. These statistics represent the percentage of clicks on each link.

Visit / Session — A series of page requests to a single website from the same uniquely identified client within a defined time frame between each page request (often no more than 30 minutes). While “*Visits*” and “*Sessions*” are sometimes used interchangeably, differences may exist within the context of a specific analytics tool. For example, a “*Visitor*” who leaves a site, then returns within 30 minutes, typically counts as only one visit but two sessions. Because time between “*Page Views*” is critical to the definition of “*Visits*” and “*Sessions*,” a single “*Page View*” may not constitute a “*Visit*” or a “*Session*” in a given analytics tool. Instead that represents a “*Bounce*.”

Visitor / Unique Visitor / Unique User — An individually identified web browser requesting pages from a website (“*Log Analysis*”) or viewing pages (“*Page Tagging*”) within a given time period (i.e. day, week or month). Analytics tools count Unique Visitor only once within the timescale (often 30 days, though the timescale is frequently configurable; please consult your analytics vendor for more details). A Visitor can make multiple “*Visits*” during that period from the same computer/browser without increasing the “*Unique Visitor*” count (note, however, those subsequent “*Visits*” do increase the “*Repeat Visitor*” metric). Identification is made to the visitor’s computer and web browser, not the person, most often using cookie and/or a combination of the visitor’s IP Address and web browser. Thus the same person using two different computers or with two different browsers will count as two Unique Visitors.

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About the Author



Tim Peter helps companies put the web to work to grow their business. Prior to launching Tim Peter & Associates, a full-service e-commerce and internet marketing consulting firm, in early 2011, Tim worked for over 16 years developing innovative e-commerce and internet marketing programs across a variety of industries. Since 2001, he has worked with the world's largest hotel franchisor and the world's premier independent luxury hotel representation firm to help hotels and resorts across diverse segments achieve more than \$2 billion in online revenue. A popular, in-demand speaker, his writings have appeared in trade publications and multiple online sources, and his blog "[Tim Peter Thinks](#)" attracts a large following each month. You can reach him at tim@timpeter.com or by phone at 201-305-0055.

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