

HOTEL Yearbook 2014

FORESIGHT AND INNOVATION IN THE GLOBAL HOTEL INDUSTRY

SPECIAL
EDITION ON

DIGITAL MARKETING



How to take advantage of a platform with one billion users

Facebook's **Lee McCabe**  interviewed by **Margaret Mastrogiacom** 

“Platforms with the most reach matter the most,” says Lee McCabe, Global Head of Travel at Facebook. By this definition, Facebook’s platform matters a lot, offering an enormous platform of over 1.2 billion people worldwide. The Hotel Yearbook asked Margaret Mastrogiacom, Director, Creative Strategy at HEBS Digital to find out on our behalf what’s new at Facebook from the perspective of a hotel industry marketing executive, and what’s coming down the line. Here is her report of their conversation.



Margaret Mastrogiacomio: *Lee, what are the most important upcoming changes to the Facebook platform that the hospitality industry should prepare for in 2014?*

Lee McCabe: When thinking that all travel and hospitality marketers are dealing with the same core issues—inspiration, conversion, and retention—what strikes me most is that every year, more and more people share and shop online. Importantly, they are increasingly doing so on their mobile devices. Those in hospitality can really benefit from this because the truth is that when people are on their phone, they are on Facebook, so there's a strong business case to be made for reaching them on Facebook. And when they are on Facebook, they are scrolling through News Feed. That in mind, combined with Facebook's large ad format and creative canvas make it prime digital real estate for hotels, airlines, online travel agencies, suppliers, etc. I encourage those in hospitality to utilize News Feed because businesses large and small have seen tremendous results by doing so. And because of Facebook's sophisticated targeting capabilities, those in travel and hospitality can now reach the right people at the right time with the message in the medium where they're spending so much time discovering what matters to them.

How do you think Graph Search has made an impact on travel marketing and social discovery? Do you think Graph Search will make a stronger impact on travel marketing in 2014?

Graph Search is one of those newer tools that we continue to hone. Although not yet available globally, the potential of perfecting searches relative to one's unique profile holds real, substantive merit to both people using Facebook as well as businesses capitalizing on Facebook to reach those people. But when you stop to think about it, tools like Graph Search are really about identity—finding what is best for someone in context, rather than on average. Large, people-based networks like Facebook, rich with data, fuel accuracy. In essence, real identity makes data more effective. And importantly, real identity plus Facebook's scale allow for the somewhat oxymoronic-sounding, yet accurately described “targeted reach”, which will continue to influence the degree to which those in travel can reach and engage with more of the “right” people who matter to their business. If you're traveling to San Francisco and want a recommendation on where to stay or where to eat, it's exciting to think that tools like Graph Search enable you to get the right information just for you. This kind of accuracy wasn't possible even a couple of years ago and we look forward to continuing to improve the efficacy of this and other tools that help people and businesses.



With the elimination of Sponsored Stories, and Facebook moving towards social context stories about social actions friends have taken, how can hotel marketers take advantage and prepare for this shift?

At Facebook, we're committed to best serving our clients as well as the 1.23 billion people around the world who use our platform. Central to this includes building innovative products that have utility and bear significant results, which stems from constantly talking to and learning from businesses across the globe. We know marketers want to see growth and they want to do more with less, but it's important to remember that business is based on people, so we're working closely with those in travel and hospitality—and across industries—to improve products that help make your ads as valuable to your customers as organic content. It's important to clarify, however, that from a business standpoint, Facebook offers so much more than social gains. Of course, friend recommendations matter. In fact, travelers are 80% more likely to book a trip from a friend liking a Page on Facebook than they are from responding to a traditional advertisement. That said, from where I sit, with more than one billion people spending time on our platform, vast amounts of data, and rich targeting capabilities, thinking of Facebook solely as “social” media is misleading. It can also prohibit real growth in travel and hospitality, particularly in this largely digital ecosystem.

What are some ways hotel marketers can better leverage Facebook mobile in 2014?

Invest. The bottom line is that platforms with the most reach and best targeting matter the most. Marketing is still marketing—on mobile or on desktop. Leveraging Facebook mobile means you can leverage sophisticated targeting to reach people where they are spending their time. Last year was actually a really important year. Not only did people in the US spend more time online than watching television, but more people logged into Facebook via their mobile device than they did on their desktop. This represents real change in consumer behavior and it makes good business sense for marketers' activities and investments to reflect this change. A recent study actually found that people have their phone with them for all but two waking hours of the day, so reaching them on their phones—in News Feed, in particular—enables marketers to strategically reach all the people who matter to their business. Facebook has literally all of the people who matter to you, where they discover what matters to them, every day, everywhere. That's a remarkable value proposition for marketers of all kinds.

↓



Interviewer: [Margaret Mastrogiacono](#),
Director, Creative Strategy at HeBS Digital

Oftentimes, hotel marketers have a limited budget to invest in a Facebook marketing strategy. With a limited budget, what are your top three Facebook marketing recommendations?

First, I encourage hotel marketers to focus their efforts on reaching people where they are spending their time. It's easy to do the same thing year after year and for businesses to allocate resources similarly year after year. But because people are now "always on", businesses would really benefit from a shift in resources that falls more in line with how and where people are spending their time.

Second, growing your business in this predominantly digital environment isn't a job for just a small team dedicated exclusively to social marketing. To a considerable extent, large, digital platforms like Facebook often get grouped into "social" marketing. But social marketing is really just marketing. Facebook is a highly efficient and highly effective mass media tool, so it's strategically advantageous to acknowledge—in theory and in practice—that platforms like Facebook should be key and integral components of a business' overall marketing strategy.

Third, and tactically speaking, utilize Facebook's creative canvas in News Feed to drive inspiration. Curate high-quality content that reflects your brand, and put people at the heart of your story. Businesses should really take the reins here and leverage the power of people on Facebook to influence consumer behavior.

How should a Facebook marketing strategy differ between an independent hotel and a multi-property hotel brand?

While independent hotels and multi-property hotels operate differently, they both face issues of conversion and retention; they want to book people and they want people to come back, season after season. With 1.2 billion people using Facebook worldwide, marketers representing both types of hotels can expand their reach with sophisticated targeting based on rich profiles of authentic identity. Utilizing Facebook's rich targeting capabilities to personalize messages means that marketers can use our products and News Feed to make their business personal again. MGM has done this really well. They have an always-on strategy and mobile has played a big role. For example, they saw 5X+ return on ad spend using Facebook's Custom Audiences. In a privacy-safe way, this tool matches an organization's e-mail database with Facebook's rich data to help put "heads in beds." By inspiring people via promotions and offers on Facebook, MGM also

saw 3X ROI. These kinds of results are no different for smaller, independently run hotels.

Where do you expect Facebook to be 24 months from now? How will this shape and change the way consumers plan travel online?

In any industry really, smart marketing is about reaching people where they are spending their time. That's nothing new. With large, people-based, digital platforms rich in data like Facebook, smart marketers can market even better. And as a result of this predominantly digital environment, travel and hospitality marketers now have more and better opportunities to influence every stage of travel—from sharing to researching, booking and reflecting. It's important to remember that travel is highly commoditized and people have more choices and are conducting more research before they book. The average person actually visits 20+ websites before booking. This not only means that differentiating your business from that of your competition is tough, but reaching the right people, at the right time, with the right message is key to conversion and retention. As mobile use continues to increase, having a strong presence on this medium is absolutely essential to staying relevant and top of mind. Facebook's rich data and sophisticated targeting combined with 945 million people using the site Facebook every month means marketers have never had greater opportunity to ensure people book with you – and keep coming back, season after season.



Lee McCabe is Head of Travel for the Global Vertical Marketing team at Facebook. A major part of his role is helping Facebook's travel partners reach existing objectives by connecting, engaging, and influencing consumers on the Facebook platform. Before joining Facebook in October 2012, he worked for Expedia in multiple roles. Most recently, he was Senior Director of Market Management, where he was responsible for Expedia's hotel supply relationships and strategy throughout Canada and West USA. Lee started with Expedia in 2007 and played a key role in developing partnerships with the leading chains and independents across Asia Pacific. Lee spent three years as the PSG Director for Oceania and the previous 9 months as acting VP Asia Pacific.



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accurately

We need to
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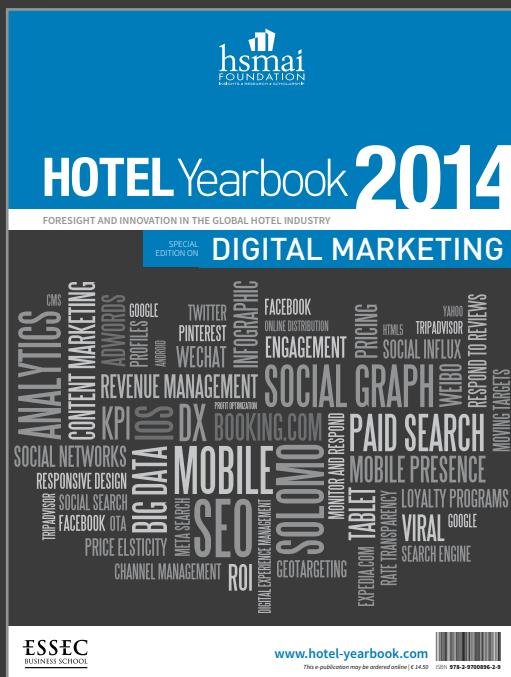
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