

Relevant Communications Bring a Welcome Boost To Travel and Hospitality Businesses

Latest one-to-one marketing techniques build customer loyalty and improve response rates to boost repeat and first-time bookings

By Toni Schottenhammer

Direct marketing company, The Mahoney Company, Santa Clara, Calif., uses its Bloom marketing platform to run what it calls a “reply campaign” to solicit new business. Whenever a staff member receives a direct mail piece, the company replies with a direct mail piece that includes the prospect’s original piece and explains how the Bloom platform can help them dramatically increase their return on investment.

“When we cast our marketing net in this way, hospitality companies were among the first responders,” said company President John Mahoney. “They also were able to fund one-to-one multi-channel programs faster than everyone else, and they seem to want to learn more about their clientele than anyone else. It made me think there must be a play here.” Now, hospitality is one of four industries Mahoney targets for its cross-media, data-driven marketing programs, and the source of several recent Mahoney campaigns.

The hospitality industry comprises hotels, tour companies, restaurants, cruise lines, convention facilities and other enterprises in lodging, recreation and food and beverage. It’s a big industry. Spending by resident and international travelers in the United States averaged \$1.6 billion per day in 2004, or about \$19,000 per second, according to the Travel Industry Association of America. It accounts for one out of every eight U.S. non-farm jobs.

Moreover, many hospitality firms compile detailed records on their customers’ itineraries, which are highly suitable for fueling personalized direct marketing campaigns. And it’s a motivated industry, continually marketing, always seeking an edge to capture the new and repeat bookings that are its lifeblood.

Increasingly, direct marketing that delivers relevant messaging across multiple media provides that edge. Among those in addition to Mahoney who run successful industry programs are two full-service graphic communications companies with powerful variable-information printing capabilities, Miami-based Franklin Communications and Rapid Solutions Group,



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Melville, N.Y. Here’s a look at what these leaders are doing in the travel and hospitality space.

Building Loyalty, Satisfaction

In 2006, Rapid Solutions Group made one of its periodic strategic assessments and determined to focus new business efforts in two vertical markets outside its sweet spots, financial services and healthcare. The two new targets, hospitality and automotive, offer many high-volume variable-information printing opportunities.

Hospitality had a special appeal, according to Julia Lombardo, vice president of marketing and design, Rapid Solutions Group. Because recreational activities are highly personal choices, reaching out with personalized, relevant marketing is a natural fit. “Most hospitality pieces are about what’s good for the consumer, regarding vacations and cruises,” she said.

For one client, Rapid Solutions Group delivers personalized vacation destination kits to people who fill out a Web questionnaire. “We take that data and develop a highly segmented, relevant kit focused on the places the person wants to go,” said Lombardo. “That’s relevance to us. It’s about showing the customer that we know something about them without abusing the privilege.”

A client of Rapid Solutions Group, startup Panraven, Inc., has developed Web-based solutions for creating and sharing stories and photos online and in printed books, which Rapid Solutions Group produces on six Xerox iGen3® 110 Digital Production Presses. The service is available to general consumers at Panraven’s Web site, www.panraven.com, and through premier tour operators as a co-branded service.

The tour operator service includes templates pre-populated with professional photography and descriptions of the operator’s



A pre-populated page from a memory book produced by Panraven and Rapid Solutions Group for customers of premier tour operators.

tours, for travelers to customize online with their own photos and writings. The books boost customer loyalty, which can lead to repeat bookings and to word-of-mouth advertising as travelers share their elegant, hardbound memory books with family and friends.



Panraven and Rapid Solutions Group produce memory books for customers of premier tour operators, boosting customer loyalty and generating word-of-mouth advertising as travelers share their books with family and friends.

“Stories are created for the express purpose of being shared – nothing is more fundamentally viral,” said John Shumway, chief operating officer and co-founder, Panraven. And word-of-mouth recommendations of friends and family members are cited as highly credible by 83 percent of leisure travelers, almost a third more than any other information source, according to YPB&R/Yankelovich Partners National Leisure Travel Monitor. About 20 percent of travelers with Panraven-affiliated companies create books, and they share the online version with 10 people on average, he said.

Many, like Sherry Berenstein of Burlingame, Calif. are thrilled: “My safari with Thomson Safari was the best trip I have ever been on. And, the partnership you formed to help us do this journal was most appreciated. I will treasure it forever and show it to all of my friends not only as a selling point for Thomson, but also for Panraven.”

Driving Responses

Franklin Communications recently applied its one-to-one marketing skills to a more targeted challenge, on behalf of Hilton International, which operates about 400 hotels worldwide as a Florida-based branch of Hilton Hotels Corporation.

Franklin serves a broad swathe of clients, including large corporations and retail chains, most of Miami’s professional sports teams and numerous hospitality and travel companies, including several popular cruise lines. The company distinguishes itself with excellent customer service built upon a can-do attitude, according to Peter Dunne, president, Franklin Communications.

Indeed, “can-do” was the response when Hilton International cold-called the company seeking to improve response rates for direct mail promoting its Caribbean conference facilities to corporate meeting planners. Hilton was generating tepid one percent response rates to static direct mail and believed variable-information could do better.

“We see more customers who understand one-to-one marketing and are asking about it,” said Rick Wellner, director of Variable Data Marketing, Franklin Communications. “But with the majority, we need to convince them of how it will work. The challenge we have is that it costs more to do a personalized program, so the focus needs to be on ROI, and even then, it’s still a leap of faith for the customer to sign on.”

For Hilton, Franklin produced two 10,000-piece mailings on its Xerox iGen3® press and distributed them to lists Hilton compiled from multiple sources, driving recipients to a 1-800-phone number and personal Web sites. The first mailing – created by an agency Hilton selected – boosted the response rates to five percent. The Hilton team wasn’t satisfied, however, so Franklin brought in its design team, which made the piece more relevant with more prominent use of the recipient’s name and more images versioned by age, gender and other factors.



Franklin Communications boosted response rates from one percent to 13 percent with this personalized postcard for Hilton International. The front of the postcard is at right; part of the inside of the oversized, quad-folded card is at left.

The response rate jumped to 13 percent. “The message is, you can’t just send a personalized piece; you need to know how to make the piece relevant for the recipient,” said Rick Wellner, director of Variable Data Marketing, Franklin Communications.

“With developments like the postage increase, people are understanding they need their direct marketing to do a better job,” said Dunne. “A two percent response rate used to be something to celebrate. By making each piece relevant to each recipient, we can do a lot better.”

And that’s a welcome message in any industry. ■

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