



## Online Marketing's Hidden Costs

The trend is steady. Online marketing budgets are rising at a healthy rate. But marketers must understand online marketing's total cost as well as its role in the marketing mix. Costs for many online marketing functions, such as Web site development and server and site management, may not flow into a marketing budget.

Strategically oriented online marketers can extend their influence by understanding where marketing touches various parts of the organization, quantifying these touch points, and incorporating them into their overall marketing strategy. From an ROI perspective, it's important to grasp the full impact of your true marketing spend across the company.

### Determine Your True Marketing Spend

Traditional marketing spend totals provide a relatively accurate match against their assigned budget. In online marketing other company areas may house costly marketing-related items. Before considering how to spend your budget, determine the breadth of your influence. Though some items may not involve a real marketing cost, they contribute to your organization's ability to get the best marketing bang for its buck.

Your true marketing spend includes all the following factors. Though you may not be able to claim full control of these budgets, you must ascribe either all or a portion of these costs when calculating a fully loaded campaign ROI. You must also consider this broader perspective when developing a marketing strategy and related tactics.

A list of online marketing's most common hidden costs:

- **Advertising creation, production, and delivery costs** may or may not be covered in agency fees. As such you should always check to be sure these items are properly accounted for.
- **Media** encompasses all paid media in which advertising is placed to promote your online presence, including network and cable TV, newspapers, magazines, radio, and interactive advertising.
- **Sales analytics** incorporates third-party services, dedicated staff, and related technology expenses. Tracking is often handled by finance or another corporate function. Types of tracking include:
  - Internal tracking for sales and costs, as well as other important indicators for your business
  - Outside monitoring services across media consumption, including paid services such as Nielsen//NetRatings and comScore and free services such as PubSub, Google, Technorati, Bloglines, and Icerocket.

**HTB's hotel e-Marketing success formula: TRACK. ANALYZE. OPTIMIZE.**



- **Marketing communications** includes PR, internal communications (and the corporate intranet), and investor relations (IR). These may be independent functions or may report to marketing. As an online marketer, you must consider the greater corporate mission and ensure marketing message consistency. At a minimum, your firm should have an online PR center, make press releases search-friendly, and enable media and investors to contact you online.
- **Web site** covers the marketing aspects of the Internet, your intranet, campaign-related minisites and blogs, and Search Engine Optimization which often flow to technology budgets.
- **Customer service** relates to marketing as a means to gather customer information. Though only a portion of customer service occurs online, other service channels can be important for monitoring the consumer landscape and augmenting online CGM tracking. The budget for this function may flow to a special unit. But as a leading indicator for potential problems, it must be partnered with marketing. Further, customer service can be used to save existing customers and up-sell them.

When you're calculating your true spend, consider the staff dedicated to these functions and include fully loaded cost for each full-time equivalent (FTE).

### **Consider Your Marketing Strategy**

Now that you've determined your true budget, consider your overall marketing strategy. If your online marketing budget only covers a small portion of the overall spend, you may not be able to set priorities independently. Be part of the process to the greatest extent possible. Regardless of your percentage of the corporate marketing spend, online affects offline marketing, and offline affects online marketing.

Considering this interaction before developing campaigns enables you to take advantage of any synergies as well as plan for them cost-effectively. If you intend to post your firm's TV ads online, for example, parts can be filmed that adapt well to online viewing and make your TV ad more interactive for little or no cost.

Your goal is to use online tools to cost-effectively acquire and retain customers while increasing profitable revenues for your firm. Understanding and managing the full breadth of your online marketing expense base enables you to strategize while leveraging all relevant areas of your organization.

Step back and understand what you're doing from the broader corporate perspective. You can't maximize your contribution to corporate ROI if you don't take your true spend into account.

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**About Hotel Traffic Builders (HTB):**

We are a full-service digital marketing agency dedicated to the boutique hotel & residential resort industry.

Our mission is very simple: *"To maximize sales success by providing our clients with exceptional internet marketing results"*.

Our clients consistently enjoy industry leading success because of our dedicated focus and experience. Our use of state-of-the art tools, best in class technology and wealth of industry experience enable us to provide full solution applications. We recognize that our clients are experts at running their hotels, and our role is to develop and maintain online marketing leadership for our client hotels.

We differentiate ourselves through:

**Industry Expertise**

We have a singular specialized focus on boutique hotel, resort and vacation home e-Marketing. Our sole goal is to be the best at what we do by ensuring maximum success for all of your e-marketing activities. Our 52 person design and development technology team delivers unparalleled quality and results. Our sole focus is resort marketing.

**Individual Customized Creative Approach & Solutions**

Every client has unique needs, opportunities and priorities, our e-Marketing plans are always custom built and based on in-depth research of your specific hotel.

**Cutting Edge Technology**

We use proprietary state of the art tools and applications that enable project efficiency, measurability and success of your e-marketing. We not only promise success, we document it in a 24/7 real-time secured private reporting platform that we create for every hotel client. Our clients never wonder about how hard their marketing dollars are working because they always know!

**Return On Investment**

The true measurement of our success is our proven ability to deliver reservation bookings. We grow booking results year over year, and we grow advance bookings, which result in higher occupancy levels and ADRs.

**Contact us at:** [www.HotelTrafficBuilders.com](http://www.HotelTrafficBuilders.com) or call us **954-421-6399**

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