

ATME Annual Conference

June 11-13, 2008

Authenticity, Branding and Customer Engagement: The Building Blocks of Travel Marketing

Conference report by Alyson Briggs, Vollmer Public Relations

Opening Session – Henry Harteveldt and Susan Black Welcome

- Thanking sponsors
- We don't focus on any one vertical or one channel
- We do strive to make us all smarter as travel marketers
- Take advantage of the collective brilliance of this assembled group and find out what is new and cutting edge
- Use this to your business advantage

Henry Harteveldt – The Latest Industry Findings

- Skytrax (<http://www.airlinequality.com/>) – 3 million reviews and 15 million surveys with opinions posted online
- There is no privacy any more
- Trip Advisor (<http://www.tripadvisor.com/>) – more than 15 million reviews – what are people reading about you
- YouTube – if you do a search for luxury hotels, 2,950 videos are tagged with luxury hotels. What is being posted about you?
- Flickr – search for Virgin America – 5,500 pictures
- **Title of Presentation: Marketing, Shmarketing – It is time to get real**
- In a world where transparency rules, authenticity is essential
 - We have to be thinking about what is true. We can botox ourselves and expect to get away with it
- **Agenda:**
- We're in marketing; why does authenticity matter?
 - Fewer people are traveling. Decline from 2006-2008 of 3% business and 5% leisure. This is before gas price hikes
 - Consumer spending is at risk – travel has been cheap and affordable, but it's going to be harder now. More people are planning on cutting back trips than people planning to spend more
 - Travelers are less annoyed with travel advertising, but also find it less helpful
 - Why should customers be loyal when new brands and models abound?
- How is technology changing travel marketing and requiring us to be more authentic?
 - Digital technologies are mature
 - Can't rely on double digit growth online anymore

- 88% of U.S. leisure travelers are online. Expect the general population to be there in 2012. So, travelers are already online
- Younger travelers give up TV time for the computer
- Marketers view interactive media as more effective (social media will be more effective over the next three years)
- Have to be authentic by making sure our media plans include WHERE the customer is
- Interactive marketing will reach \$61 billion by 2012 (all business, not just travel)
- That takes interactive from 10% of marketing budgets to 18%
- BUT we still need newspapers and TV, but using them in the right mix
- Travel is the largest e-commerce category and largest online media spend
- Social computing is firmly established
- In January, there were 65 Facebook applications associated with travel; now there are 200
- Travelers embrace travel-specific social computing
- It is time to go mobile
- 86% of travelers have a mobile phone
- 52% use mobile data services, like text messaging or internet access
- 30% have connected with marketing messages or content on their phone
- How will this help us better engage U.S. travelers?
 - What is engagement?
 - Engagement is the level of involvement, interaction, intimacy and influence a person has with a brand over time
 - The customer is taking things that are available to everyone and making it meaningful to him / her - this is how we have influence over customers
 - Engagement requires a fundamentally different relationship with your customers
 - Authenticity is more than just transparency
 - It's about relevancy: right media, right time, right venue
 - Customers control the conversation – we will not get it back
 - We have to make the customer think that it's their idea (like marriage)
 - Reach out and connect with travelers – we have to reach out and listen to what they say and try to make changes based on the feedback
 - We need to deliver a continuous, comprehensive experience to engage travelers – but we're not now

12 Steps of Traveler Engagement

1. Know what motivates your customers
 - a. Consumers are motivated by three things – family (22%), career (30%), entertainment (48%)
 - b. Figure out if your customers are more driven by family, career or entertainment
 - c. But really, we need to bring the entertainment to the forefront – Vegas and Minnesota have done a good job of this
2. Tap into travelers' emotions
 - a. 78% say travel is to have fun

- b. 48% say travel is an area of self-indulgence
 - c. 39% say they will pay an affordably higher price for something that is a better quality
 - d. 36% will pay more if they can save time
3. Follow the customer around online
 - a. Alaska Airlines – can find out where you were before you got to their site so they can tailor the message – can't be creepy
4. Serve travelers in relevant channels
 - a. American Airlines – Facebook, iPhone, great desktop widget that says what you'll pay to go where
5. Don't miss opportunities to learn about the customer
6. Allow travelers to experience trips before they go
7. Respect your travelers' needs and goals
 - a. No airline or hotel sites allow people to shop based on price
 - b. Kayak does let you do that
8. Provide useful context
 - a. Seatguru.com (<http://www.seatguru.com/>) – allows to compare airline seats
 - b. Insidetrip.com (<http://insidetrip.com/>) – goes beyond price and give other context like on-time stats
9. Inspire the customer
 - a. TravelMuse (<http://www.travelmuse.com/>) – can input where you want to go, how much you want to spend and some themes and comes back with itineraries. The customer is inputting the information, so this is the perfect way of engagement
10. Drive viral buzz
 - a. Delta Airlines posted the attractive person on YouTube doing safety instructions
11. Seduce travelers with video
 - a. Make it HUGE
12. Help travelers find what they need

SUMMARY

- In a world where transparency rules, authenticity is essential
- We can't rely on advertising and loyalty programs alone – have to map that into social media, mobile marketing and viral programs
- Travel marketing is going to change with technology – if you don't like it, find another job
 - Help your CEO understand that not everything has an advertising ROI
- Engagement is possible and essential
- You can download this presentation at: www.forrester.com/atme08

Q&A:

Have any American hotels made any money off of mobile marketing?

- Looking at it from a marketing standpoint

- Not saying they are making money, but are saying they are getting a good response
- Sketchers – sent message out on Twitter, first 10 people to show up at specific store receive a free pair of shoes. They had line out the door
- Many hotels testing text messaging upgrade offers

Holly Hegeman – Planebusiness.com. Travel and the Economy

- Authenticity and Transparency – very interesting
- During Henry's presentation, kept thinking about airline CEOs. Specifically one who has put himself in the thick of corporate speak – Glenn Tiltan – United Airlines CEO
- Messes:
 - The U.S. consumer is now suffering the consequences of one long spending spree – it started back in 2000 after the dot com bubble
 - The Federal Reserve drop kept interest rates very low
 - They also set the monetary policy of the U.S.
 - As **housing prices** went up, up, up in a short period of time mortgage brokers, real estate agents, Uncle Sam, the banks (home equity loans) took advantage of the fact that you could write off interest on a home equity loan
 - All of this has come to a very ugly end – as people have taken out loan after loan and now the long term effects are coming back on us
- Now we have **rising energy prices** – up 130% in one year
- Jet fuel is over \$4 a gallon – a year ago, it was at \$2.50 a gallon
- Last Friday, price jumped \$11 in one day, and today it jumped \$6. Now at \$137 a barrel
- Rising oil prices are not based just on traders' speculation. Oil is not an unlimited resource, and we in the U.S. have never been pushed to curb out consumption. The price of oil is not going to drop below \$100 a barrel any time soon. Meaning, we're not going to see \$2.00 gas any time soon
- The problem is they can pump more oil; it's just not there
- Not just a case of the oil companies ripping us off – it's a long term problem that this country has never addressed
- Losing equity in our homes and a huge amount of money to maintain lifestyle
- **Declining value of the US dollar** – this is tied into the oil issue. Oil is priced in U.S. dollars. If you're Lufthansa, it's priced in Euros. The euro has gone up in value and dollar has gone down. Effect on foreign hotels has been much less because dollar is worth much less
- **As price of oil goes up, dollar drops**
- What does all of this mean to you?
- The consumer is getting squeezed but it differs depending on where you are in the U.S.
- The market in Vegas is falling quickly for example
- Airline capacity is decreasing rapidly. Capacity for Vegas is now down 40% from last year. US Airways cutting further. Las Vegas is in trouble. Leisure traffic is off. Florida hurting. Hawaii is a mess. United picking up some of that slack. Already seeing DEEP discounts offered by hotels in Hawaii
- This is going to start spreading like the housing issue
- **Next problem area:** credit card meltdown. It's easier to turn in the keys to your house than it is to give up the credit cards
- **The number of credit card delinquencies is on an upward tear**

- Specifically on the airline industry – it’s a complete and total mess. Unions, mergers, layoffs, groundings. There are two airlines to speak about in a positive way. Southwest – have the best oil hedges in the industry. Paying \$51 a barrel for 75% of their needs. Hedges good until 2009, in 2010 increase to \$71. Southwest will tell you they do not have pricing power, but she thinks that is crap. Thinks that we’ll see a lot of that come to fruition soon. The CEO retired. It’s the end of an era. We’ll see a different airline
- Business Select – you pay extra, what do you get?
- Allegiant – not the usual start up. This management group knows what they are and what they are not. They only fly on routes that are profitable
- They fly the most uneconomical airplanes. Old MD-80s. American Airlines is trying to get rid of them all, but Allegiant still making money on these. Primarily go from leisure market to leisure market
- United – announced grounding of 100 airplanes. Ted is dead. Might announce another round of layoffs
- Delta/Northwest merger – thought it was a foregone conclusion. But now the pilots are at each other
- US Airways – two groups of the same set of pilots that are suing each other
- How much cash do we have in the bank and how long will that last us?
- Robert Crandle – “Perhaps it’s time for some minor/limited re-regulation of the industry” – suggestion is that airlines should not be forced to reduce fares for connecting flights. This country has NO transportation infrastructure strategy
- Crandle thinks the first thing we should do is make sure the northeast corridor is up and running. The second things: Minor re-regulation and third: FAA upgrades
- Continued chaos in fees and services
- Schedules – next big changes occurring in September. Could make a reservation now and that flight could disappear
- Not going to get better this year
- Credit card situation will be a problem and oil isn’t going to change

Q&A:

With cuts, what type of access will intermediaries be able to get?

- Airlines WANT to take more control
- At the same time need to be smart about operations
- Packaging may work
- Very few flights are profitable ANYWHERE right now

How do you deal with people who are senior in your organization and don’t get it?

- If they don’t get the value of marketing, they never will
- When they ask – what’s the value of marketing? Show them an iPod
- Emotion, emotion, emotion

What is it that Southwest and Herb have done on the financial side that others can’t figure out?

- They only fly one airplane. But that really limits the markets they can serve. Controversy that Southwest may have hit their peak. Because to expand now will be

more risky. But were successful for 30 + years. Ran it as a family – treated customers as a family. Treat employees as family. “I didn’t hire for technical expertise, I hired for attitude.” They have been very conservative in terms of financial management. Haven’t been greedy. Top management at Southwest is the lowest paid in the industry

Is de-regulation a possibility? And is that a viable solution?

- Not sure with this Congress
- Can’t even get the FAA organized
- Transportation is extremely important in any country’s success
- Would be great if there were someone in Congress that had a big vision for what transportation would look like, but she doesn’t see that person

Susan Black – Mobile Marketing Reaching Your Audience on the Move

James Dobbs – VP business development, OTAir Mobile Marketing

- Works with ad agencies and brands to look through the latest and greatest of the technology to find technologies that make sense
- 84% of Americans own a mobile phone, 72% use text messaging regularly, 35% access mobile web, 90-95% of incoming messages are read by mobile users
- Americans text 2.5 times more than Europeans and as frequently as Asians. Text messaging volume is now approaching triple what it was last year
- Mobile is an opt-in only communication channel
- Keys to Success:
 - Integration will be the biggest key or biggest hindrance
 - Text call to action is effective – send to URL
 - FIRST
 - Free
 - Interactive
 - Relevant
 - Simple
 - Timely
- Follow MMA (Mobile Marketing Association) best-practices – get a 3rd party provider
Start with the basics (SMS and WAP site)
- Busch Gardens/CBS Case Study
 - Text2Wine Campaign Cross Promotion
 - Had to respond with your email address
 - 1,500 coupons delivered
 - 36% provided accurate email addresses
 - CBS broadcasted it across screen during tournament
- Funny Bone Case Study
 - Text to get free tickets to Thursday night's show!
- Creating a great WAP site
 - User experience is king
 - Lightweight
 - Intuitive, easy to navigate
- Mobile beyond 2008
 - Branded, installed apps
 - MMS
 - Mobile banners
 - QR Codes – 2D barcodes
 - LBS (location-based services)
- Mobilemarketer.com (<http://www.mobilemarketer.com/>)
- Wrapreview.com

- Mmaglobal.com (<http://www.mmaglobal.com/>)

Tyler Townsend – Y Partnership

Mobile Campaigns - case studies for CVB clients

- Testing the waters
 - Standard mobile banners
 - Click to call campaign
 - Ran on accuweather.mobi for four weeks
 - Experienced 2% click through rate
 - Consumer connected to St. Petersburg / Clearwater CVB call center
 - Sweepstakes promotions
 - Extended sweepstakes that they had going with USAToday.com and USAToday.mobi
 - Register to win a trip to St. Petersburg Clearwater
 - 1.5% CTR overall
 - SMS Text to Win Campaign
 - SMS Text to Win chosen to add a level of measurability to out-of-home advertising such as billboards, cinema advertising, poster ads in shopping malls, radio
 - Text BEACH to 12345 – different keyword to each medium

Bryan Allison

Oversees marketing for Vegas.com

- Just launched mobile.VEGAS.com – a concierge in your pocket
- Expect them to use this application while they're in Vegas
- Booking show tickets 48 hours out – so they're doing it while here
- Mobile tickets
 - Customers purchase ticket through phone
 - Use cell phone as their ticket
 - Working today, launching to public later this month
- Don't over think it or over-engineer it
- Contact center agent knows what they want to buy, so all they need is a payment
- Marketing with a consistent message
- Bus wraps driving down the strip because concentrating on local audience

Q&A:

Why haven't GPS services been more readily available on the phones?

We're still very dependent on the carriers themselves. They haven't been able to play nice just yet. There are certain applications that need to be pre-installed on the phones. Lots of emerging technology companies, so the technology is moving very quickly. Could be served up a special offer while standing in front of the MGM Grand

Tested a number of mobile devices. What was the percentage that it didn't work out for you?

Don't know percentages but have had a lot of problems with Verizon

Cost issues? Unlimited text plans – some people don't have them, what kinds of issues have you run into with this?

You're only sending messages that they opted in for. They saw a billboard and texted to be included. That will lower the cost for you and the consumer

Are there tools to buy so that you can do it yourself? Do you have to use a 3rd party provider?

- Not sure, but do know that the technology can definitely sync up with reservation system so wouldn't have to build that technology themselves
- Yes, it does cost for you to send and sometimes for the guests to receive but guests have to opt in at check-in to receive the messages

Peggy Bendel – Destination Case Studies

Virginia Goff – Dubai Tourism, Promotion Manager

- Dubai is seen as an overnight success, but it took 20 years
- The oil revenue only accounts for 5% of their economy. So in 1990 they decided that they needed to invest in something else
- In 1999 there were three million visitors; in 2007 7 million
- Hot today because it's in American and Canadian news
- Business publications covered Dubai first because their business policies are very progressive
- 80% of Fortune 500 companies have businesses in Dubai
- Not as conservative as Arabic nations
- Lots of developments such as the Burj al Arab – the world's largest and first 7 star hotel
 - New hotel designed by Brad Pitt will be environmentally friendly
 - Developed palm islands
 - Longest indoor ski run
- Fast becoming a sports mecca
- Dubai Desert Classic – PGA European Tour event
- Dubai World Cup
- Dubai shopping festival – carnival atmosphere – designers from all over the world
- Stuck with very traditional marketing
- Got account in 2004 and had to spend most of time doing FAM trips, and webinars because travel agents weren't ready to sell or recommend Dubai
- Started a council
- Modern 21st Century Arabia

Steve Bornn – Dominica Director of Tourism

- The epitome of authenticity
- Always been green
- A small and intense travel world economy
- Attitude, Smithsonian, Audubon
- Recognized as a responsible tourism destination by *National Geographic Magazine*
- Advertising is very simple and reflects what we're about. Part of being transparent
- Dominica is known for superb diving and whale diving
- Black beaches
- Adventure destination – hiking and rain forest
- Man and nature living harmoniously together
- First UNESCO world heritage site in eastern Caribbean
- Difficult to get there
- Dive Fest
- Flower Shows
- Hike Fest

Chris Baum – SVP Detroit CVB

- Leveraging Detroit's New Brand Personality to Drive Meetings Business
- Detroit launched a new brand in 2007
- New positioning 'Detroit is where cool comes from'
- Decided to go with no slogan, but five brand attributes we do as well or better than other Midwest destinations
 - Cars
 - Culture
 - Gaming
 - Music
 - Sports
- The "D" is what Detroit goes by now
- Told agency to come up with things that they would never thought would get approved
- "Who's the Genius Who Picked Detroit?"
 - This is a meetings ad – delivered copy about what Detroit really is today. The biggest challenge is not what happens when they come to see what we have to offer – the biggest challenge is getting people over the resistance to Detroit and to come in to see a site inspection
- This campaign and aggressive sales have helped
- Detroit Gets Good PR. Finally. Ad about PRSA convention
- Allows partner hotels to buy into the campaign
- Who in Heaven's Name Chose Detroit? Religious meetings
- Custom viewmaster mailing to 10,000 meeting planners

Q&A:

What are the challenges in 2009? Dependent on funding from taxes, etc. How will you be impacted by this in 2009 because of projections of decreased revenue?

- Dominica – funding should be in place through 2012, which is when they decide to push or not to push tourism. Waiting to see what is going to happen with airline situation as are most Caribbean destinations
- Detroit – 2% on all room sales in Detroit and membership fees. Might be Ok in 2009 because many of drive areas are going to be looking at destinations close to home
- Lots of events that are a draw regionally
- Dubai – Biggest challenge is that other countries are ramping up tourism too – like Russia
- Clients like Denver are going to target singles now who might still be able to afford airfare

Breakfast Session – Culinary tourism

Marketing Authenticity: Embrace Culinary tourism

- Culinary tourism is a vacation based around culinary endeavors – festivals, wine country tours, farmers markets visits, chef led cooking classes, etc.
- Types of culinary travelers
 - 8% of leisure travelers said it was a key reason or helped them select the destination
 - Called “deliberate culinary travelers”
 - 4.7% - opportunistic
- 17% of Americans have taken a culinary trip in the last three years
- 60% reported that they are interested in taking a culinary-focused trip

Should marketers embrace culinary tourism as a basis for authenticity?

- The local cuisine and how foods are produced in a local region help define a region
- Going to independent restaurants in a community are part of the fabric of a destination
- Growth in celebrity chef and celebrity restaurants are increasing – so eating and drinking are a major attraction. People spend more time in restaurants when they’re traveling than they do in restaurants at home
- People are planning ahead for the epicurean experience – do extensive research on where they’re going to eat and drink when they travel
- Celebrity chefs certainly have done a tremendous job in growing this focus
- Food festivals draw local and regional market

How did the culinary festival of Tucson start?

- Group of independent restaurants formed a council
- They used the Santa Fe festival as a model
- That was six years ago
- Culinary festival that supports independent restaurants
- Had tastings and seminars – seminars were a flop
- Continued to expand – started with two days, now it’s four days long
- Brought in someone from Brennan’s to do a New Orleans brunch – sold lots of tickets
- Started this with the idea that they would bring in people from all parts of the country like Santa Fe and South Beach festivals
- This is starting to happen all over the country with things like Polish festivals, Garlic festivals, etc.

Any culinary festivals in Detroit?

- Yes, quite a few
- Chrysler Festival
- Grand Prix and Jazz Festival – both have lots of food components. Major part of what people do when they’re there

- 750,000-1,000,000 people come to some of their festivals
- They do have a lot of regional food that is a draw
- They do culinary podcasts for the young audience
- Even though some of the young/hip restaurants aren't members of the CVB, they are still listed on the site because of a partnership the CVB developed with the Metro newspaper

Epitourean.com (<http://www.epitourean.com/>)

- Cooking classes are a big part of the site
- People are looking for the 2-3 day getaways
- Many site visitors looking for gifts
 - Thinks many destinations could get in on this with a culinary package to offer as gifts
- People looking for girlfriend getaways or couples looking for a quick getaway
- Big rise in culinary cruises
- Every city creating stadium kitchens and hosting culinary weekends – cities all around the world are doing this

Does Zagat rate culinary festivals?

- No, they don't rate them, but they are involved in them
- Started to work aggressively with culinary events such as Taste of Chicago, etc.
- It's a new area for Zagat
- Look at it in two ways – education/information and promotions/events
- Education the most important element
- Reviews of restaurants and chef profiles are biggest focus
- Custom-create guides to promote culinary tourism
- Did that for Barbados
- Using this as a way to hold restaurants on the island to a higher standard

How did Greek town develop?

- In research, people found that Detroit was spread out and hard to understand
- So, they divided up the area into destination districts
- Looked for areas with the biggest concentration of restaurants and shopping areas that have unique shops
 - Downtown
 - South and North Oakland
 - Dearborn Lane
 - McComb
- This has been successful and makes Detroit more easy to handle

What kind of marketing help do you get from the community/CVB for the culinary festival?

- CVB has been HUGE supporter all along the way
- Even though originally suggested by AmEx, having trouble getting them involved
- Increasing financial support every year

Epitourean

- They do have tools for CVBs and regions to use to create culinary tours for their own destinations
- They can host culinary events and a tool to promote their local restaurants
- Articles that are dynamically generated and they can take that product to
- Louisianaculinarytrails.com
- Dinela.com (<http://dinela.com/>)
- Epitourean tries to drive the content that allows people to come in and dream, shop and book – providing ability for a customer to come in and look at all of the destination options

Joanne Smith – SVP In-Flight Service & Worldwide Product Development, Delta Airlines

Creating a Product that Keeps Consumers Coming Back for More

What's new at Delta:

- Very challenging time
- Average ticket prices are just now getting to pre-911 levels
- The good news is airplanes are full
- Record load factors
- Well booked in the summer
- Continue to get YOY increases even though fares are going up
- Fall – industry will be down 15%
- Cuts coming out of smaller cities – Delta Connection
- Northwest/Delta – looking to a November merger approval

Brand Can Matter

5 Steps that have helped re-brand Delta:

1. Be honest with ourselves – “air travel sucks.” Recognize the drudgery of air travel
 - a. Need to revamp air traffic control system
 - b. But do know that customers can understand this
2. What really matters to customers?
 - a. What would they really like us to change?
 - b. Customers want to know that we have a noble purpose
 - c. Travelers want to know that we respect their time
 - d. Delta wanted to respect travelers' time more than any other carrier
 - e. Every Moment Matters
 - f. Not just speed of getting you there, but every moment you have when you're on the plane
 - g. Pressure TSA to have more security lanes
 - h. Provide more self-service kiosks
 - i. In air it's about hospitality from the heart
 - j. Gracious, southern brand
3. Make changes with a single brand lens focus. The contemporary yet not too obvious focus.
 - a. Hospitality is nice, but it seemed old and stodgy and traditional
 - b. 41% of a person's experience/outlook is based on what their experience is while on board
 - c. Needed to contemporize the experience. Make the flight attendants humorous and fun, not all about old school way of serving customers
 - d. Launched the Todd English food program. \$7 cracker and cheese. But are getting good ratings because of its fresh entrees. Big hunk of cheese and enough crackers to finish that cheese

- e. Seat-back entertainment in every seat – on-demand product with HBO. Credit card swipe
 - f. Choice in enhancing customers' time on the airplane and do it in a more contemporary way
 - g. Cool things, but less obvious
 - h. Flight attendant safety video on YouTube
4. Engaging Employees
- a. Lots of employees are very loyal to the Delta brand
 - b. Brought flight attendants in for special training to talk about the changes that needed to happen in the industry
 - c. Had a special cocktail party – which had never been done at Delta
 - d. Mixed special cocktails – shaking cocktails in the aisle
 - e. Waned after first six months, so had to bring them all in again and discuss the new brand and efforts
 - f. New policy to bring in employees once every 18 months to reiterate the brand – will do same thing when bring Northwest in as well
 - g. This was all part of the budget
5. Relevancy – deciding who they're targeting the most. Realizing you can't be all things to all people.
- a. Defined that customer and named him. Realized that if they can make him happy, others will follow

Q&A:

Employee engagement – part of marketing budget. Do you work with marketing group to make this happen?

- Had to pay for it out of the advertising budget to pay for the \$5 million two-day meeting
- Senior leadership involved as well
- So successful that company took it on and brought in other groups instead of just flight attendants and decided to do it every 18 months

Northwest – how are they feeling about the merger?

- Operated the most on-time airline in the last 15 years
- Lowest DOT complaints
- Among the best with baggage
- Still don't have the perception of being best on-time
- Getting employees at Northwest to be excited about Delta brand will be key – will have to do it by continuing to doing cool/contemporary things
- All non-union except for pilots at Delta, Northwest is ALL union – even admins

How are you bringing all Delta Connection carriers to the same brand standard?

- All employees required to have certain elements of uniform
- All required to have exact same snacks
- Operationally held to same cleanliness standards, safety standards and on-time standards

- Showing progress, but slow because so many partners to get in line

Sin Vs. Sainthood – R&R Partners – Ad Agency “What Happens Here, Stays Here”

Playing with Emotions - Sin:

“What Happens Here, Stays Here”

- Built on the idea that people want to jump out of their skin and be someone else
- Has been very successful
- #2 brand in nation – behind Google
- Crazy viral pick-up
- GMA, Jay Leno, David Lettermen, Ellen, etc.

Playing with Emotions – Saint:

Catholic Charities Client:

Appealing to “feel good” emotions

- Donations up more than 50%

Always Engaging:

- What happens here leaves mystery in it so you can add your own flare or creativity
- Online tool and magazine ads let you fill out your own “Vegas” identity
- Southern Nevada Water Authority: trying to get people to use less of the product instead of more. Focus on males to get them to change their behavior
- Lawn watering focus – making it funny and harsh – using new mediums like gas station ads, coasters at bars, bathroom ads
- Drives them to web site to check on schedule
- Creative was clever and impactful
- 88% overall audience recall
- 87% reported changing their clocks
- Water use dropped 22%

Pushing the Edge:

- Sex sells for the vegas.com folks. Cake topper ad and golf course ad
- Water authority – don’t have luxury of using sex – used violence instead. Lady with the cane
- Parentsempowered.org – won spot of the year from MADD. Have to push edge a little bit to get people to pay attention. Showed kid (eighth grader) with beer in hand

Whether for good or evil, we do use similar strategies:

1. Truth – finding brand truth. One of the hardest things you can possibly do
2. Engagement – not enough to run great ads. It’s how and where you run them. Great TV campaign, but do things like free will to allow people to touch the brand. Do things like TV integration
3. Risk – know who the target audience is so can take risks as long as they still speak to your target audience. You can still test risky concepts. Only tell them the ideas, don’t

take story boards out to people. They test with very small groups in casual atmosphere and that pushes a lot of edgy ads forwards

4. Partnership – true partnership goes beyond problems. Having a tight relationship with client/agency. It's an uncommon thing. Having it is key – developing partnership within and integration. How well integrated is the agency? Is the media planner in the creative conversation – have to believe that great ideas can come from anywhere

Branded Entertainment – plugging the Vegas brand into TV shows. Working to bring shows TO Vegas. Go beyond a VERY clever ad campaign to get people's attention and draw them in. Creating buzz and anticipation – people are waiting for the next round of ads.

Social Media and Customer Engagement

Panel moderated by Sarah Rotman Epps

Hyatt

- Yatt'it – Hyatt's new travel community. New way to engage both existing and new customers
- Hyatt Gold Passport members
- Anybody can visit the site and see the content, but only Gold Passport members can provide tips
- Not about Hyatt; it's about tips for the destination
- Local experts (concierges) – they provide tips. And Frommer's information as well
- Yatt'it is mobile accessible so you can access tips through your phone
- Development process – was not really painless
- 80 properties worldwide
- 100+ concierges involved
- 15,000 Hyatt gold passport members through alpha and beta phases
- Yatt'it. To yat, to chat. Hyatt – drop the H

American Airlines

- Blogging managed by advertising group
- Advantage milestones – user forum for frequent flyers
- Travel Bag – Facebook application
- Talking less about the airline, more about the destinations
- Continue to have them evolve. Come back to travel bag in a few months and it will be different

Travelocity

- Launched in-depth traveler reviews last summer
- Hard to find reviews relevant to that traveler
- Gotten into more detail about ratings and insider tips
- Where to go for a good run, good place to check in, etc.
- We are able to feed some of this information back to partners to improve customer experiences

Q&A:

You sell travel, why do you care about customer opinion through social media?

- It's about brand identity
- Can't always drive people to your Web site so need to be where customers are
- Getting people engaged with the brand and drive loyalty
- Travelocity heard loud and clear that they wanted more information so they can make better decisions for themselves. Reviews balances the professional content we get from our partners and places like Frommer's

- As it relates to an OTA, it engages them. Provides them with good information they need to make a decision so they'll come back
- Yatt'it is about driving brand preference. Extension of traditional marketing. Web site is evolving and constantly growing. Continue to have to find ways to change it

Can't expect customers to come to you:

- American Airlines – provides a very similar service to a number of other carriers, so have to find differentiators
- Create tools to engage them in travel on places like Facebook
- Deal finder is an application you install to your computer
- It's about tailoring everything to the customer – their preferences and their needs
- Facebook people will tell you what they need and want to see. American Airlines can react to that quicker than if it were on their own web site usually
- Yatt'it creates a panel of customers. Can ask their opinions on things, a polling sense. Collaborating/listening sense. Easiest way to talk directly to customers

Forrester's four-step POST approach to social media:

P is for People. Who are your customers? What are they ready for?

How did Travelocity determine their customer? – Focus groups, asking them how they wanted to re-engage in our site. Also asked hotel partners – asked partners how we could make the end experience better, what types of information would be helpful to you to hear what customers want and are saying about your property

Yatt'it – Passport members would be the quickest way to do it. And had to utilize concierges because they and their knowledge are already in place. They focused on what is relevant to them. Usability testing on how people wanted to use the site

American Airlines – executive platinum frequent flyer is not the facebook user. But they already have ways of getting to that audience. So there is interest in getting to another target – which happens to include thousands of American Airlines employees as well

How do you track Facebook application to purchasing tickets? It isn't one click away on Travelbag. But similar to a lot of online advertising, you can advertise on Facebook and get to the right audience. Even though we don't have a one to one relationship, we do know that we're reaching people that do travel

Travelocity is seeing that people that get more value out of it are coming back more frequently

O is for Objectives. What do you want to accomplish?

S is for Strategy. How will your relationships with customers change?

T is for Technology. Which technologies will be most effective?

How do you handle negative postings?

We stress that the site is about talking about the destinations. Been fortunate so far because we know who they are; we are able to contact people directly to make it right. Also make it clear to people that there are other ways to let people know about a negative experience

Link Yatt'it to Hyatt.com?

Yes, links and some content imbedded throughout

What is the turnaround time to respond to comments?

24 hours

Forrester hearing from clients that social media budget is going to traditional outlets to promote the social media piece that didn't cost that much to build

How do you use social media to target niche audiences? Such as over 50, etc. There are hundreds of niche sites that you can participate in, so how do you decide or separate out the signal from the static? How do you determine which technologies you'll use? Andy – short answer is – we're not. It's time-consuming and expensive. Stuck our toe in where there is critical mass. Don't want to ignore niche markets, but so many are too exclusive. Can't take Facebook application and port it over to somewhere else; it doesn't translate

Jeff – internally have talked to customers to see where to start initially. It is part of long term strategy to be more engaged with those sites, but next phase

Hyatt – also long-term goal for them too

The Death of Advertising (as we knew it) – Pamela Johnston, PJ Inc.

- Doesn't mean it's dead – just changes/evolving
- Communication vehicles were limited in direction
- With opening up of marketing, marketers feel they have lost control of their messaging and ROI because it's difficult to assess
- The consumer voice got louder and with it, their disdain for intrusive marketing became more evident
- As a result: Innovators developed new measurements, tactics and new vehicles
- The message is really being crafted on places like Tripadvisor, etc.
- Presidential campaigns – all spending money in traditional methods, but also putting together teams to monitor and control blog content
- Shift from one-dimensional to multi-dimensional communication with the networked consumer
- This actually creates opportunities for great impact and improved ROI
- You have to be willing to give up a lot of the control, which is uncomfortable
- Put messages out and realize you won't see the kind of return you are accustomed to
- Have to keep trying to put things out and get new things out there
- Can't underestimate the number of employees on MySpace and Facebook. Enabling them to represent brand is scary, but they're already out there, so help them be ambassadors for your brand

Dollars:

- What are people spending on alternative media?
- Two of largest alternative media channels are events and word of mouth marketing
- Alternative media spending is predicted to grow at a compound annual rate of 17% from 2007 -2012, reaching \$160 billion
- The problem is people are ignoring how to communicate the experience
- If you hold an event, it has to be two-way. Gives you opportunity to communicate your brand through the experience, but what is the customer telling you when they're there
- You have to allow consumers to mold your message – that's the only way to be authentic and true

Word Of Mouth Marketing: Becoming a Bigger Force

- Face to face still makes up 73% of marketing-related conversations that take place in person
- People might be throwing their weight into the wrong portions of WOMM
- Online chatroom or blogs make up only 1%, Instant or text message is only 3%
- There are lots of data points and you have to figure out which pieces of information should shape your strategy
- Word of Mouth is mostly positive – 63% of brand references in word of mouth conversations are “mostly positive”

- Implication – Don't be afraid to engage in the conversation

Value-based networks:

- Marketing is moving away from intrusive communications to more inclusive
- Barnes and Networks

DO:

- Listen to and understand your customer
- Be authentic
- Be relevant
- Be useful, interesting and/or entertaining

DO NOT:

- Preach
- Assume the consumer won't recognize a marketing message
- Intrude with needlessly long messages or frequent, irrelevant communications

New Ways of Measurement:

- Clicks/Site Views
- Conversions
- Sales
- Search engine ranking
- Hits on dig, del.iciou.us, etc.
- "Friends" or followers
- Complicated algorithms

The days of 7:1 on marketing spend types of quantifiers are over

You have to be willing to invest in planting seeds. Not all of it is going to work. Have to be willing to throw stuff out there and see what happens. Not all of it is expensive

Have to be patient as it's not all going to happen overnight

Extra proliferation! What is happening in the space with all of these messages? How are people handling all of these messages? How accepting/rejecting as a message?

- Technology is catching up to this. Soon people will be getting only advertising that is relevant to them.

Steve Pinetti, senior vice president marketing, Kimpton Hotels

- Making the business case for going green
 - 9-11 was huge event; caused a definite looking into one's self
 - Pointed out how fragile life is and moved people to take action
 - Online Search
 - enabled people to customize

- Now is the Environmental Era
 - Kimpton is good at recycling old buildings and putting them to use
 - Renovating but maintaining integrity; maintain inherent value
 - This is a lot less detrimental to the planet along with daily business activities
 - As a company, every hotel and restaurant must implement best practices
 - Employees came up with ideas and have been rewarded for it
 - Organic coffees, teas, soaps, shampoos
 - VP of Sales and Marketing
 - Want director of sustainability
 - Allocating resources- this is a good sign that companies are doing this
- Program started in 1985 in San Francisco
 - In 1995, one hotel did an eco-floor (Triton Hotel Eco Floor)
 - Earth Care is name of program- named it and developed guidelines in 2005- over 40 products and practices.
- Discovered that they have to have a meeting once a week to keep things moving
 - Assigned a specific team leader at every property (a person who was really compassionate)
 - Constant vigilance to keep employees educated
- Maintain your lifestyle when traveling
 - Put recycle can in room
 - Use coffee mugs instead of paper cups
 - No more phone books
 - Use soy ink
 - Perform online employee forms
- 16% of customers said specifically that they stayed at a hotel because of environmental policies- they had a moral affinity for sustainability and shared a moral affinity
- Get there in front of half of the pack
- Each property saves \$100,000 a year
- Turnover is one of the lowest in the industry
- Nothing else has had this kind of impact with employees and guests
- CFO is doing an audit of all companies they work with- banks, suppliers, insurance properties, etc.- asking what their sustainability practices are

Kirk Thompson – VP Marketing, Hilton Hotels

“Travel Should Take You Places”

- Hilton has been dark for a long time
- Were living on some legacies of the past
- So decided to take it to a different place
- Campaign now in 25 languages
- Took three themes that are the head of the strategy
 - Customer engagement
 - What we stand for
 - Travel should be transformative – that’s a mouthful
 - Transformation
 - The new voice of Hilton
 - Dynamic, contemporary, innovative, distinctive
 - More brands and sub-brands than ever before and needed a way to stand out
 - New voice had to deliver on what we promise
 - Couldn’t come out with a whole new conversation around Hilton but have the experience be false when they get there
 - Three to four intensive investment years to refurbish the hotels
 - When launched campaign, important to be able to say that we put a billion dollars into the hotels themselves
 - Picked a campaign style that was colorful and animated
 - Music from an artist that no one had heard of yet
 - Positive – upbeat tone
 - Was literally animated – didn’t show lobby or pool
 - Point is to remind people of all the cool things travel is supposed to do for you. It is “social currency” the stuff you talk about at the water cooler and at barbecues
 - Reminding people about the vitality and upbeat nature of travel
 - The integration infused everything from PR to sales
 - The best campaigns have an element in them that inspire team members
 - Inspiration:
 - The brand is the engagement here
 - Inspiration = team members, guests, travelers and innovation

Q&A:

Hard parts of culture transformation?

- Hard because took so much out of what people were used to seeing. No lobby shots, pool shots, etc.
- Had to incorporate common changes that were human touches

In the midst of all of this work, they were acquired and taken private. How did that work?

- When Blackstone acquired Hilton, it was because of the power and strength of the brand. So there was nothing but support for the branding team

5 New Technologies That Will Rock Your World – Kara Swisher – All Things D

- The Internet – how people shop and book, this is it. In five years, there will be ALL internet bookings
- Google is Neanderthal in its search capabilities because it is text based
- We will laugh at it in a few years
- Lots more immersive technology is about to emerge in terms of 3D visuals/technology
- Moving to touch-screen technology
- Apple probably announcing a touch screen technology soon
- Korea has best high-speed access in the world
- It has to be done by the government
- Mobile marketing
- Other countries have wireless access everywhere
- U.S. has worst coverage of all developed countries and it's the most expensive
- iPhone is precursor to where everything is going
- Blackberry coming out with a knock-off
- Has to be GPS on phone. Will have tracking soon. They know where you are at all times
- Movement is to get stuff to the television – flat screen TVs
- Homes will have a wall of TV – homes will be built like this. You'll be able to say "Hawaii" and it'll come up
- Hotels and cruises will have to produce these videos
- Growth of YouTube is staggering
- It's user-generated
- Post stuff on YouTube and tag it well
- Likes TripAdvisor but don't have enough video
- Sites other than YouTube developing
- The new flip – 60 minute flash drive. Creates little videos – leave the park and they give you a CD with your video on it. It's a single function device. Very useful and inexpensive. Useable over and over again. Doing well with consumers because it's idiot-proof
- Most people now putting this video on Web sites
- Flash is the standard on Web sites – so everyone needs a flash device
- Is Google evil?
 - No, not necessarily
 - Microsoft went out of way to crush companies and said so publicly
 - Google is serious. They're buying up a LOT
 - Google has 90% control of search in Europe and they are about to buy up Yahoo here in the U.S. and will have 90% control here too
 - This will allow them to determine the marketing eco-system
 - Google's technology is text-based and inefficient
- It doesn't scale to usefulness
- There is no impetus for Google to change it
- Ask.com trying to do a lot of this, but they're too small to make an impact

- Microsoft surface table – BIG TABLE
 - Touch screen table
 - Put down phone on top of it and it loads pictures into your computer automatically
- DASH – internet-enabled navigation. You can send things down to us
- Current car GPS really just has old mapping information loaded onto it
- Dash has Yahoo search in it
- Can download things like hiking tours or Sex and the City tour in NY and you can follow the tour. Gives information about it as you go
- Only have 1,000 dashes in every city. Really accurate traffic information
- Doesn't see any privacy issues – kids aren't scared to share information that way
- Look at Twitter and FriendFeed

Q&A:

- Rock You and Slide are the two biggest companies that work on widgets
- Check out Vitamin Water campaign – ended up throwing a million bottles in a day
- Facebook and MySpace have the hottest widgets listed and the ones that are the most successful are silly
- Useful widgets are going away because they have to get sillier to get attention
- CNET very successful. Got bought by CBS for more than \$1 million
- Pop Sugar, Huffington Post both successful
- Great travel and food blogs
 - Tripadvisor
 - Site by David Siffry – make your own travel book
- Kara@allthingsd.com

Launching a new airline with a twist – Porter Gale – Virgin Airlines

- Took them 3 years to get the right to fly
- Had to lobby – all other airlines really fighting it
- Landscape – flying domestically typically a horrible experience
- Virgin America has 14 aircrafts. Have 1400 team members
- Tried to push business model by being a low-fare business model
- Flying in the largest U.S. markets only
- The Buzz: 88% of guests said they would fly again or recommend to another
- Brand: More entertainment, more comfort, more options
- Good press: Wired, USA Today, LA Times
- A totally different flying experience
- Guests are influencers and trendsetters - they're blogging and creating that viral voice
- Tracking on campaign 80% said it stood out
- Brand has been built on social media, online, guests blogging
- Facebook, yelp, Twitter
- Two-way dialog with our consumers – the people who will help us build our brand
- What's next on social media
- Plurk, YouTube, friendfeed, iGoogle

Will the airline appeal more broadly?

- Most urban markets have a large population that is tech-savvy
- Soon to have internet access on board
- It is very innovative
- But we do work for suburban families too, perfect example is in-flight entertainment experience

Partnerships?

- Haven't done many. There are a few. Focusing on California-based companies for now
- Trying to work together to help accomplish business goals

Loyalty programs

- Big point of stickiness with traditional airlines
- Virgin has a variable pricing model based on number of seats left on a given flight
- If last seat on plane, it will cost more points
- Fanaticism is building – people are wanting Virgin America to come to their markets
- People will always be able to get a seat with their points – no blackout dates