

**Refunneling your best prospects:
acquire new customers without more ad spending**

How personalized, one-to-cluster email can recapture and reactivate lost sales.

Refunneling abandoned prospects: acquire new customers without more ad spending

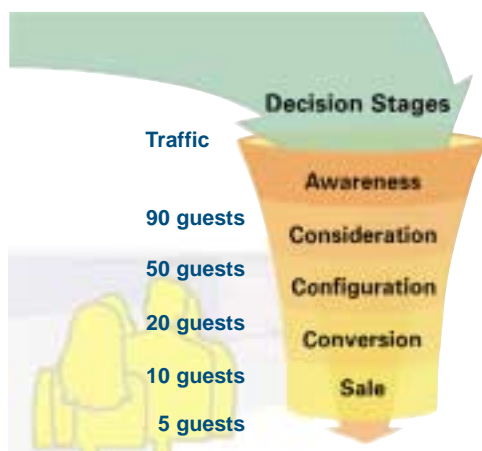
Today, the travel and hospitality industry is obsessed with acquiring new customers. It's where the bulk of our marketing budgets are spent. And yet, the return on those acquisition investments is terribly weak: at an average cost of \$400 per customer for a leisure resort booking, this is hardly a sustainable marketing solution.

The Culprit: the Missing Majority

Marketers assume that to solve the customer acquisition ROI problem, they must spend more in a search for:

- The perfect list
- The perfect package/offer combination
- The perfect regional target
- Overlooked ethnic or minority groups
- Overlooked affinity segments, e.g. brides, empty nesters or eco-travelers

Liquid Fire would like to suggest that the most overlooked group of prospects—those that already know your brand—hold the greatest promise for dramatically reducing your average acquisition cost. The solution? Reactivating abandoned sales with intimate, one-to-one email.



"But I've always counted on the law of averages!"

Most marketers have grown up with an idea established by ad agencies decades ago. Simply put, the concept is this: the law of averages will deliver new customers if your broadcast or print campaign reaches enough mass numbers of consumers. For every thousand reached by a broadcast ad, perhaps 100 will phone or visit your website. Of that 100 web site visits, perhaps 50 percent will consider your property. Of the 50 active planners, perhaps 20 will configure a package. Of the 20 active configuraters, perhaps 10 will book (if your site offers outstanding content and booking functionality). And finally, of those 10 bookers, perhaps 5 will complete the credit card clearing process. It's the age-old customer sales funnel meets ad media buying.

It's time for marketers to take back the critical planning stage from the portals—and get better control over distribution.

Think about the numbers for a moment.

For every 100 visitors, 90 percent abandon their shopping process—90 percent! Now consider this: what is the value of reactivating even half of this Missing Majority? If it's done with email, the media costs are negligible. Selectively, telemarketing can be employed with equal effectiveness.

Reactivation is not a guarantee of conversion; it does however, restart the shopping process for a pre-qualified target group without requiring additional advertising dollars. Simply put, it kick starts your most likely prospects by dropping them back in the decision-making process.

The challenge from online sales

Bursting onto the scene a few years ago, the travel portals boldly updated the old sales funnel. Their big idea? Focus just on the most qualified funnel stage—buyers who are actively planning a vacation. Travel portals, airline and hotel direct sales sites designed their web services to present rich research, easy comparison tools and booking services. By focusing on this key phase in the shopping process, portals high-jacked bookings from travel agents by offering more control, convenience and attractive discounts. Today, a breathtaking percent of direct sales will be placed through portals this year.

It's time for marketers to take back this critical planning stage from the portals—and get better control over distribution. It's time to work the customer funnel to the hotelier's advantage. Consider this: every hotel site has Internet traffic that ranges from hundreds of thousands of hits to tens of thousands of hits per month. From that, generally less than five percent convert into new customers. What is the value of returning even half of the lost travel planners to the planning process on your site or on the phone?

Putting abandoned shoppers back in play

The core idea is simple: Instead of trying to source new fodder for the top of your lead funnel, restart a chunk of the 90 percent traffic that abandoned your planning sessions. First, there's no media or advertising cost—so this will reduce average acquisition costs. It's all done with email, the world's cheapest advertising vehicle. Second, turn visits to the web site into insight gathering about shoppers' vacation priorities—their buying perspective and readiness.

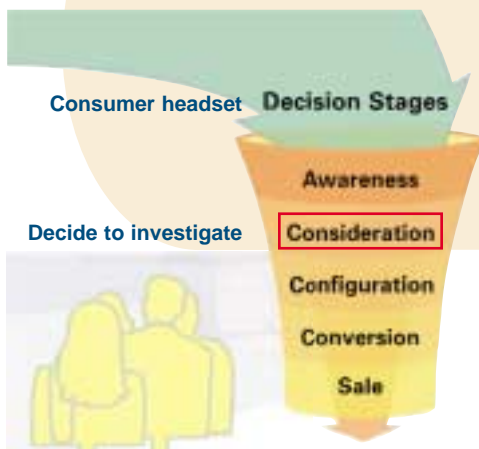
Critical building blocks for sales reactivation

Building block one: Reflect the buyer's level of urgency

Prospects move through clear, well-documented phases on their way to a final commitment and purchase. While the pace and style may vary by product and with shopper demo- and psychographics, the phases are remarkably consistent across all consumer purchases. The more advanced web sites, such as Carnival Cruises, British Airways and Bacara Resort have designed their sites to reflect these phases and, most importantly, accelerate prospects toward decision. This acceleration is not about serving offers with escalating levels of urgency and discounts. It's about presenting content and functionality in pace with a prospect's readiness to advance toward purchase. Recognizing prospect *buying readiness* is critical to effective sales reactivation email.

Make it real: An example

A bride-to-be's first stage of honeymoon planning is generally which region—the classic consideration stage. Her mindset is "Hawaii versus Tuscany." The right offer to advance her honeymoon search is an electronic version of a branded, third-party guide to the most popular honeymoon destinations—sponsored by and featuring our resort. Presenting her with a discount offer—book now for a free extra day at Half Moon Bay—will be ignored. She's just not ready to commit. However, she is prepared to tell us a little about her honeymoon search in exchange for a timely, trusted guide—earning us the right to contact her again.



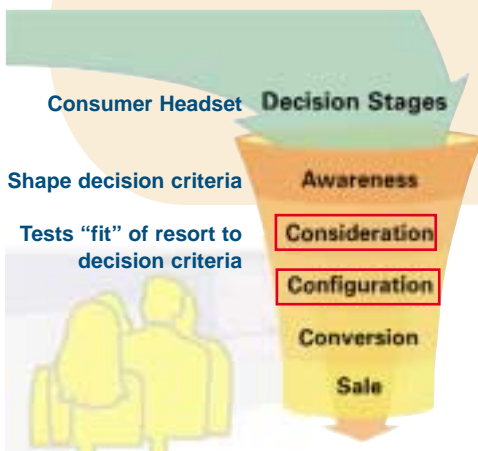
Building block two: Reflect the buyer's specific interests

Registration is critical to sales reactivation. Strategies that encourage registration are well-documented in Internet advertising. They run the gamut from sweepstakes (inexpensive) to special functionality (potentially expensive) to loyalty or points programs (expensive).

Beyond registration, websites and email have a powerful ability to capture prospect interests—their special hot buttons and affinities. There are two ways to capture prospect interests: implicitly and explicitly. Implicit data capture “notes” the portion of a site the prospect has visited. This empowers marketers to make educated inferences about buying interest. Explicit or opt-in data is gathered as a prospect tells the site his interests and buying degree of readiness to purchase. Regardless of method of capture, the goal is to get to know the prospect as an individual—to tailor marketing in a one-to-one fashion.

Make it real: An example

Imagine that our honeymoon shopper visits Resort A's web site. She spends time first on general resort amenities (consideration “stage” activity); she moves onto spa and golf pages; then she looks at packages (configuration “stage” activity). A couple of things have happened. She’s just jumped to the configuration stage and is now ready for more aggressive offer messages. We also now have critical information about her specific buying interests. These are the “keys” to her interest for restarting her planning process.



Building block three: Overcome the buyer's barriers

The closer the prospect gets to purchase, the more information there is available about their decision process. The final stage is removing barriers to action—making it easy to say yes. In travel, the multitude of variables—date, room types, discount schemes, booking method, etc.—creates a gauntlet of screens that a prospect must endure. Our goal is to remember our prospect's progress through those screens—on website or in email—and push for the next step.

Make it real: An example

At this point, our would-be bride has had a few email contacts with us. We know her buying interests and her readiness. It's time to close. Imagine she receives not one, but a series of emails that focus on:

- A detailed, sensual spa experience
- Golf pro tips on designer courses and photos
- Special concierge services for honey mooners

The offer featured in these emails? A sweepstakes offering the winning couple a complementary wedding photographer or greens fees or a companion seaweed wrap at the spa—whatever matches her interests. The email recognizes her buying readiness, acknowledges her personal interests and gently coaxes her towards booking. (Notice we haven't discounted yet!)

In Conclusion

The old adage the right message via the right medium at the right time can now advance a prospect you'd otherwise lose with more traditional marketing. What's more, acting on this discipline requires minimal incremental investment and no additional ad spending. Refunneling abandoned prospects via direct email can increase your lead generation and customer acquisition and dramatically improve your marketing ROI.

Patricia J. Camden
Vice President, Business Development
Liquid Fire : Atlanta
www.liquidfire.ws
Tel: 404.840.7800
Fax: 413.618.9843