



5

traits of

# **successful** **marketers**

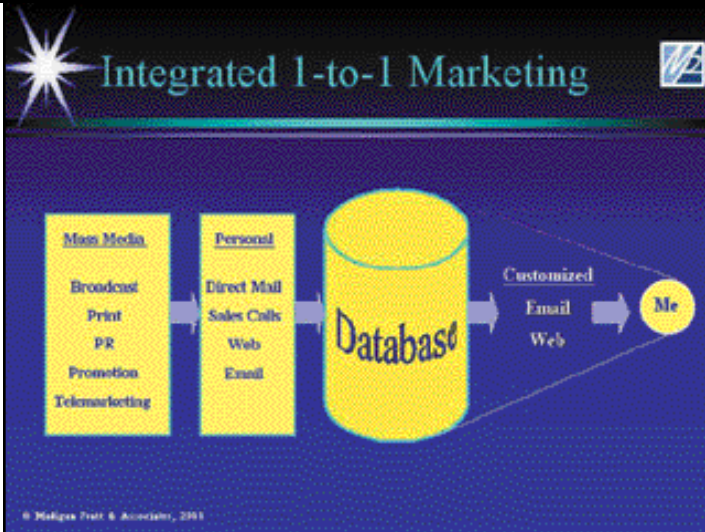
BY MADIGAN PRATT

Without question, 2001 will be remembered as the worst year in the modern day history of the travel and tourism industry.

In March the economy officially entered into recession. A weak economy coupled with the terrorist attacks on the World Trade Center and Pentagon and the anthrax issue effectively placed most of the travel industry into a depression.

The negative impact that these events had on travel and tourism has been chronicled in every conceivable media (much to the detriment of the industry). Voluminous, and oftentimes-conflicting research, sampling every conceivable market segment has been fielded and published. Numerous industry forums were convened to help travel marketers devise strategies to cope and move forward.

And what message did the consumer at large receive? Were these great deals or confirmation of previous suspicions that travel costs had previously been over-inflated? Has it turned normally full-price travelers into bargain hunters? Now many marketers are concerned it may take years to get rates back up to a level that will allow for a decent return on their investment.



*Simply having a variety of 1-to-1 marketing components such as a database or web site is not enough to make you a successful marketer. All the components must be integrated to create a 1-to-1 relationship with customers and prospects.*

**NOT EVERYONE SUFFERED EQUALLY**

The media, as it so often does, has focused most of its attention on the hardest hit sectors and companies. As a result, the perception may be that every company is down 20% to 50% and will not recover until late 2002 or 2003 if they happen to be in business.

The reality is there are numerous companies that, although being affected, have done remarkably well relative to their competitors. Their sales decline has been mild as opposed to precipitous and their recovery has already been realized or is forecast to arrive shortly.

**5 TRAITS OF SUCCESSFUL MARKETERS**

The Reefs in Bermuda and Nisbet Plantation Beach Club in Nevis, two resorts we work with, have weathered events of 2001 better than most. They consistently rank either one or two in terms of occupancy level of all hotels in their respective countries. Yet their success is not a matter of rocket science. Instead, it's more a case of consistent attention to marketing basics, use of new technologies and effective integration.

Here are five marketing principles the resorts and other successful travel marketers follow:

**1. Provide a Consistently High Quality Product at a Fair and Reasonable Price.**

Sounds simple enough. As these two luxury resorts have delivered on this principle year after year they have developed well-

deserved reputations for providing exceptional value.

They have consistently won many of the industry's most coveted awards for service, quality and culinary excellence and in 2001 both were named to Travel & Leisure Magazine's list of the Top Ten Best Values in the Caribbean, Bahamas and Atlantic.

Today, more than ever before consumers are looking for good value. Unless you provide it and become known for doing so you will always be at a competitive disadvantage.

**2. Create a Dialogue With Customers and Prospects on a 1-to-1 Basis**

In 1999 The Reefs and Nisbet Plantation decided to refocus marketing to take advantage of growing opportunities of integrated 1-to-1 marketing. At the same time, they planned to move from primarily analog marketing to a more effective and economical digital program.

At the heart of this effort was the integration of three components – database, web and permission based email.

- A new database of customers, prospects and travel agents with email addresses was developed along with programs to continuously populate it with new information. This is the heart of the program and all marketing efforts were re-purposed to feed the database as shown in the accompanying chart.

With an unswerving devotion to building the database, these two small resorts now have more names and permission based email addresses than many Caribbean counties.

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- The web serves as a focal point of up-to-date information about the properties as well as an interactive resource to get and keep people interested in learning more about the resorts.

- Permission based email, the third component of the integrated 1-to-1 marketing model, allows the resorts to economically reach prime customers and influencers on a regular basis and drive them to the web for more information.

With word-of-mouth still the most effective form of travel marketing, regular email messages ensures the resorts will always be top-of-mind when the topic of vacations comes up in conversations readers have with their friends and relatives. (Samples of the email newsletter the resorts send to individuals on their database can be found at <http://www.thereefs.com/reefs/newsletters.html>)

The resorts have identified their customers and prospects. They have segmented them to understand their best customers and know where to find more people who look just like them. They have personalized messages and are in the process of customizing communications around each individual's specific interests.

In the process they have begun to create a dialog, deepen customer and prospect relationships and create faithful customers – the most profitable customers of all. They have also started moving down the road towards effective customer relationship management (CRM).

### 3. Stay Ahead of the Curve

Many travel companies avoid being marketing pioneers, choosing instead to watch others forge ahead, make mistakes and perhaps lose money in the process. At least that's the rationale for being a laggard.

While this may have been an acceptable approach is the golden years of mass marketing, it is no longer valid in today's fast paced digital world. While marketing pioneers may be making mistakes, they are also creating institutional learning – lessons that will help distance them from more cautious competitors in the years ahead.

Earlier I mentioned that The Reefs and Nisbet decided in 1999 to use email to reach and market to consumers and agents. This was before Seth Godin wrote his now famous treatise on Permission Email and before cost effective ASP's for delivering

and monitoring such program were available.

Clearly the resorts had made the decision to stay ahead of the curve. They built an extensive database of email names, know who they are talking to and have over two years of program management experience at a time when many resorts are only beginning such efforts.

### 4. Take a Longer-Term View of Marketing

Instant gratification is often sought but rarely realized in marketing. A disproportionate emphasis on immediate sales without sufficient focus on how to attract business down the road can be disastrous.

The decision to transition from a mass marketing to an integrated 1-to-1 marketing approach was based on the belief that the way marketing would be conducted in the years ahead would be dramatically different than it was in 1999. And it is.

By planning ahead the resorts were able to efficiently and immediately deliver tens of thousands of personal, thoughtful and appropriate messages to customers, prospects and travel agents in the wake of the tragedies of 9/11. They weren't delivering advertising per se, but a continuation of a dialog that started years before. (Read the September Newsletter which created the highest response from readers – every single one being positive.)

While many travel marketers were scrambling to devise communications programs in response to 9/11, The Reefs and Nisbet were busy tailoring their conversation with consumers.

### 5. Don't Chase Every Customer and Don't Compete on Price

All customers are equal, but some are more equal than others. The customers you want are the most profitable ones. So develop programs to attract them and leave those that are a drain on resources for your competition.

There are several ways to attract more profitable customers. Use your database and identify your best customers based on spending, number and length of time between repeat purchases or however you want to define "best customer". Create a profile and a statistical model to find people who most resemble your best customers and market almost exclusively to them.

Your most aggressive competitors are probably doing this in an effort to steal

your best customers away from you – permanently!

Beyond database modeling there are other things you can do to attract more profitable customers. First and foremost is to avoid competing on price.

While many resorts chose to stimulate business by offering steep discounts, The Reefs and Nisbet Plantation decided instead to create new value-added packages. None were much different than any other packages they offer throughout the year.

In the end they did turn away some business – refusing to discount when callers to reservations wanted to know what "the real price" was. Callers were politely informed that the resorts were not discounting or cutting back on their service and therefore really couldn't discount their price – and after all, they were already proclaimed the "World's Best Value" by Travel and Leisure. While some business was lost, a far greater amount was booked at regular rates.

In reality, people interested in a cheap room as opposed to a quality vacation experience are not the type of customers the resorts are looking to cultivate. Price conscious travelers will never be faithful customers, and will most likely cost more than they produce and are best left to the competition.

The vast majority of people, especially travel marketers are pleased to have 2001 behind us. While it is hard to imagine there could be anything worse, the sad truth is that natural and man-made disasters are always a real and present danger so it's imperative to be prepared.

Simply having a variety of 1-to-1 marketing components such as a database or web site within your marketing mix is not enough to make you a successful marketer. All the components must be integrated in such a way as to create a 1-to-1 relationship with customers and prospects. To do this effectively will require marketing as well as organizational change. ■

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