



Hotel Marketing Case Study

The successful way to double revenue



Get *more* than your fair share



Abstract

Jamaica Inn is one of the Caribbean's, and Jamaica's, most widely regarded and highly recognized hotel and a perennial favorite in the *Condé Nast Traveler* and *Travel + Leisure* readers' surveys. With nearly 300 hotels, Jamaica Inn has consistently ranked among the top five on TripAdvisor, oftentimes ranked as the island's No. 1 hotel.

In 2012 it was popular with good occupancy and revenue, but the owners felt it should be doing better and authorized a marketing audit.

This case study outlines the actions the owners and managers of Jamaica Inn undertook to revamp its marketing program to realize significant and immediate room revenue increases. With both short and long-term business building initiatives the hotel has turned good occupancy and revenue into great occupancy and revenue.

Situation

Family owned since 1950, Jamaica Inn is a 55-room luxury hotel situated on a private beach in Ocho Rios. Long known for its friendly hospitality and long-term staff, the hotel has an unusual competitive advantage having earned the No. 1 ranking on TripAdvisor out of almost 300 on Jamaica.

Like every Caribbean hotel, Jamaica Inn's occupancy and revenue has fluctuated throughout the years, especially during the six-year period pre- and post- the Great Recession. Five years following the onset of the economic downturn, occupancy and revenue had yet to return to pre-recession levels and had remained relatively flat for a period of two years.

Marketing Audit Findings

Believing sales performance could be significantly better, Jamaica Inn's owners requested a marketing audit, which revealed:

- The hotel did not have a clear, benefit-oriented positioning.
- The hotel maintained an extensive, adequately funded sales effort targeting travel agents.

- While using many standard marketing tools (website, public relations, social media and pay-per-click advertising), marketing was not well coordinated.
- Marketing disciplines were functioning in silos and not integrated. Each component operated independently, lacking creative and campaign synergy to maximize impact.
- Email marketing to a database of nearly 8,000 past guests, prospects and travel agents wasn't following direct marketing best practices.
- The hotel's in-house reservations needed formal sales training along with software that integrated with its PMS to track sales and marketing effectiveness.

Based on the Audit, the owners and management of Jamaica Inn concluded it needed a entirely new approach to marketing the hotel. They therefore agreed to move forward with an integrated Customer Relationship Marketing (iCRM) program.

iCRM Marketing

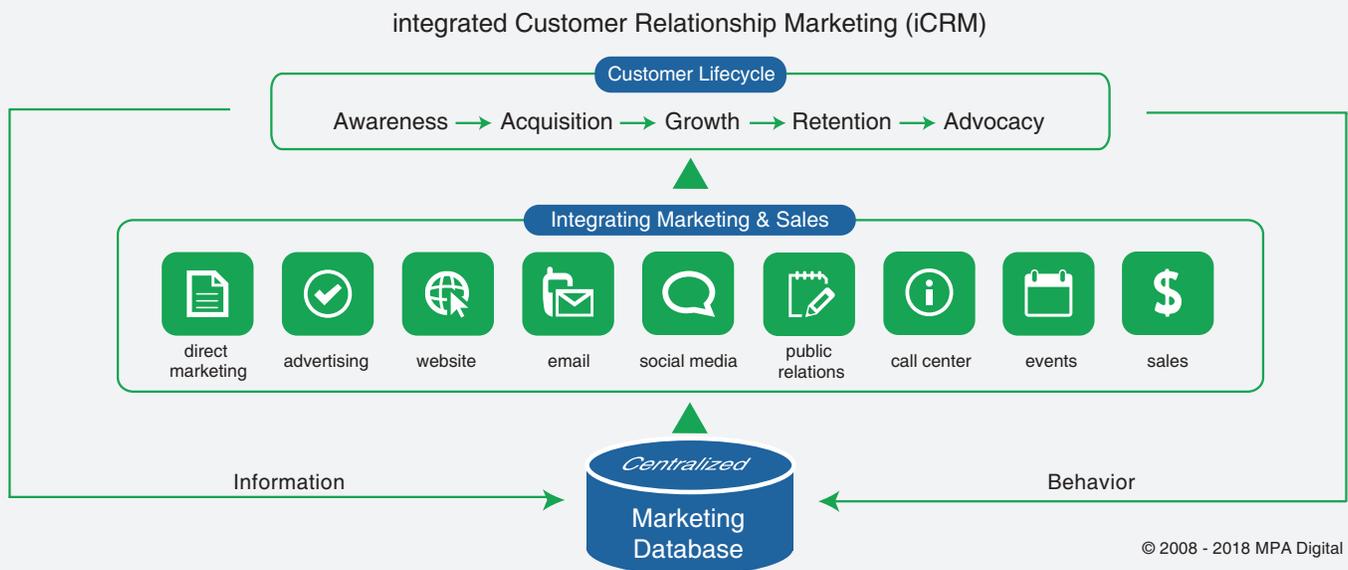
Extensive research shows that companies with the most loyal customers are also the most profitable. When designed and implemented properly, iCRM creates a fiercely loyal customer base that drives immediate and long-term revenue. Prior to 2010 CRM software was affordable only by large hospitality companies such as cruise lines and large chain hotels.

Early this decade, several effective and affordable CRM programs were introduced. This allowed small luxury hotels like Jamaica Inn to participate and compete on a more level playing field. Benefits include driving more profitable direct bookings and lessening their dependence on commissionable third parties.

Jamaica Inn became an early adopter of CRM among small, independent Caribbean hotels. In 2012, they retained MPA Digital to develop an iCRM program to build and strengthen relationships with past guests, prospects and the travel trade.

On the surface, iCRM doesn't look much different from traditional hotel marketing. However, there are dramatic differences.

A majority of the target resides in the US, specifically the Northeast and cities with direct air access such as Atlanta, Charlotte, Chicago, Dallas, Houston, Los Angeles, Minneapolis and Orlando. Jamaica Inn



- **Reach with A Purpose** –With iCRM, marketing and sales activities are strategically designed to reach customers at different lifecycle stages and move them along from awareness through becoming a loyal brand advocate.
- **No More Silos** – Sales and marketing are fully integrated with open lines of communication between all channels. There are no silos, so marketing and sales efforts are always coordinated, on strategy and deliver greater campaign ROI.
- **A Centralized Marketing Database** – CRM software is used to consolidate customer and prospect data into one centralized marketing database which serves as the foundation of iCRM. The software is connected to the PMS to track revenue generated by nearly every marketing effort.

attracts a discerning clientele seeking an authentic Caribbean experience along with a quiet, romantic place to relax and reconnect. Their guests appreciate not having a television in their room.

Objectives

The iCRM program launched in October at the beginning of FY2012-13 with the goals to:

- Build awareness, and help differentiate the resort
- Increase occupancy and revenue by 10% in one year
- Improve call center sales/closure rates
- Build stronger and more engaging relationships with past guests, prospects and travel agents
- Increase marketing effectiveness and ROI

Target Audience

With daily room rates from \$400 to \$2,000 per night, the primary target audience for Jamaica Inn is very affluent travelers in the US, Canada and UK/Europe.

Strategies

- Develop a strong brand positioning for Jamaica Inn that can work across all areas of promotion. The tagline, “Jamaica Inn...it’s time,” was approved. It has been extended to the hotel’s newsletter (It’s Time to Unwind), to promote its unique room service served by course (It’s Time to Dine) and to outside activities (It’s Time to Explore).
- Launch a new responsive and adaptive website with search engine optimized-copy written with the affluent traveler in mind.
- Drive visits to the website and capture contact information to expand the hotel’s database.
- Secure compatible CRM call center tracking software for reservationists and schedule sales training.
- Grow direct bookings with email communications to past guests, prospects and agents encouraging them to become repeat guests or visit for the first time.
 - » Relationship-building newsletters are sent regularly informing subscribers of what is new at the resort and around the island, engaging readers with stories, photo contests and specials while encouraging them to stay in touch via social media.
 - » Promotional emails are sent as necessary to stimulate need periods. Guests with a current reservation can be suppressed.
- Utilize database marketing best practices to engage past guests and prospects.
 - » State-of-the-art CRM technology ties into the resort’s property management system and call center to track communication performance and sales conversions.
 - » Segment the database and send targeted, personalized communications to guests and prospects speaking to them as an individual.
- Launch a concerted and sustained pay-per-click and display advertising program. Build website landing pages for PPC campaigns to increase conversions and better monitor sales.

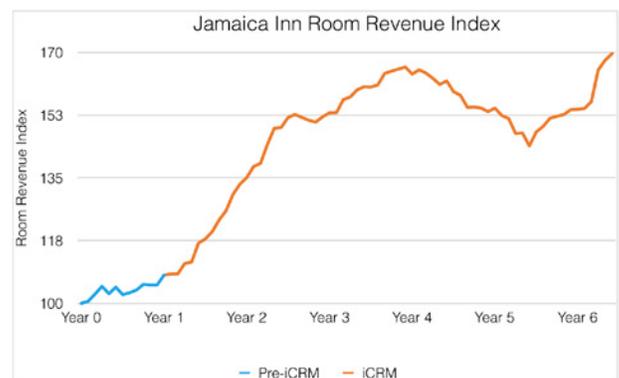
- Extend social media presence via the blog, Facebook, Twitter, Instagram, Pinterest, Google+ and YouTube.
- Track and report sales for every marketing initiative including those generated online and through direct contact with the on-property reservations call center.

Results

Jamaica Inn’s multi-pronged integrated Customer Relationship Marketing program, launched in October 2012, can be evaluated on several key measures of success.

Note, due to dramatic seasonal sales variations, Jamaica Inn uses a 12-month moving average to provide clearer performance trends and allow for better forecasting and budget planning.

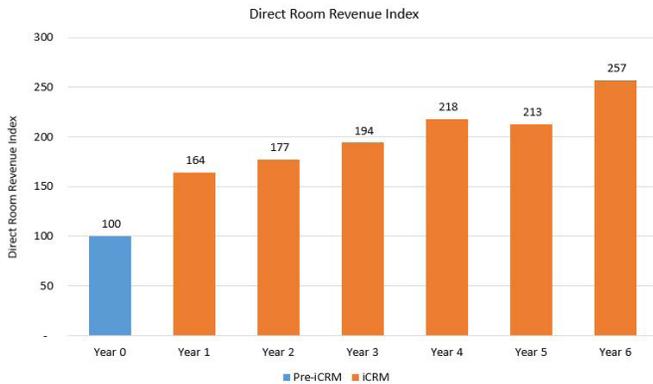
- **Room Revenue** – Room revenue began increasing immediately after the launch of the resort’s iCRM program. It increased by 40% in



year I, for surpassing the original goal of 10%. Like most Caribbean hotels, revenue declined in 2016 (Year 4) because of a mild winter in the US, the Zika virus, the opening of Cuba to US residents, etc. Room revenue has bounced back and **Jamaica Inn’s room revenue for the current FY is on pace to double since the iCRM launch.**

- **Direct Room Revenue** – iCRM is extremely effective at driving direct, non-commissionable revenue.

Direct room revenue almost doubled by the end of Year 3 (Index = 194) growing at a much faster pace than total room revenue. This year, direct room revenue is more than two-and-a-half times greater than it was at the beginning of the iCRM initiative (Index = 257).



- **Website Performance** – jamaicainn.com plays a key role at every stage along the customer lifecycle. It builds awareness, encourages stays, and keeps guests and prospects informed with custom content and landing pages.

Traffic (sessions and users) to Jamaica Inn’s website has increased 3.5 times over the past six years. Along with performing well, the hotel’s website has won multiple industry creative awards.

- 2015 W3 Awards, Silver – User Experience
- 2016 Davey Awards, Silver – Website
- 2016 Communicator Awards, Silver – Website

- **Email Marketing** – Jamaica Inn’s direct communications perform higher than the hospitality industry averages. Email open rates average more than 35% with click-through rates averaging 15%.

The hotel monitors responses to and revenue generated from each email. With its CRM software, Jamaica Inn was able to track in excess of \$1 million in profitable direct revenue in 2017.

- **Public Relations** – Hosting visiting journalists at the resort and meeting with editors results in significant coverage for the resort. Examples of media outlets with coverage are Forbes, Caribbean Journal, Brides, Harper’s Bazaar, Caribbean Travel + Life, Marie Claire, Condé Nast Traveler, Huff Post, Travel + Leisure and more.
- **Online Advertising** – Both pay-per-click advertising and display retargeting efforts provide an excellent ROI. Pay-for-performance services target people searching for a Jamaica holiday as well as individuals who have abandoned the online booking engine. These display ads promote a timely special offer and direct visitors to a dedicated landing page with more detail about the promotion.
- **Social Media** – For timely, authentic content, social media is managed on property. The brand posts a variety of different messages about the resort and island. Photos of the beach receive the most engagement and sharing. Instagram generates the highest engagement rates for Jamaica Inn and continues to grow organically.

The resort maintains a blog averaging one new post per week with topics including recipes, on island activities, staff spotlights, prominent media coverage, resort awards and more.

Summary

Customer Relationship Marketing is now affordable for small luxury hotels like Jamaica Inn. It can deliver significant increases in revenue and also significantly change the revenue mix — increasing the % of direct sales and decreasing the percentage generated through OTAs and other third parties.

Providing personalized and relevant information to customers and prospects on a one-to-one basis is key to the success of Jamaica Inn's iCRM program. Directed by professionals steeped in the science of database and direct marketing, communications are designed to elicit a response from consumers. Relationships are nurtured over time to keep them actively engaged with the hotel, build loyalty and generate more revenue.

Jamaica Inn, an iconic Caribbean hotel, was an early and enthusiastic adopter of iCRM to align its sales and marketing. One year after embracing CRM for its marketing initiatives, it integrated the program into its on-property call center operation. That, along with ongoing reservations sales training, has produced sustained revenue growth and record profitability.

40% Year 1 room revenue increase

2.5x Direct room revenue increase

3.5x Website traffic is up

3 Website awards

35% E-mail open rates

**Named among the top three
marketing campaigns of 2018**

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