

TRAVEL AND HOSPITALITY

Agility is crucial to effective hospitality marketing: Leading Hotels of the World

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Image credit: Leading Hotels of the World

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A well-planned marketing strategy is critical for global organizations operating in a dynamic industry such as hospitality, where customer expectations are continuously evolving and the landscape grows more competitive.

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With the onset of the COVID-19 pandemic, however, brands were forced to reassess their marketing efforts and shift their focus from growth to survival. As digital and other emerging platforms become mainstays in the hospitality industry, new **research** from **Leading Hotels of the World** (LHW) and **Corporate Agility** suggests brands must have a clear focus on goals, objectives, strategies and investment approaches to guide marketing campaigns and activities.

"As we optimized our investments and priorities, we wanted to take a proactive approach that would guide our marketing plans and activities that favored agility, as well as short-term and long-term goals," said Phil Koserowski, chief marketing officer at Leading Hotels of the World, in a statement.

An industry shaken

While all industries were impacted by the pandemic, one of the most notably affected was travel and hospitality.

In the United States, hospitality is responsible for 7.8 million jobs and 2.8 percent of the national gross domestic product (GDP). Before the pandemic, U.S. hotel occupancy was projected to reach 80 percent in 2020.

However, by the end of the year, hotel revenue declined 50 percent, a \$124 billion loss in a \$270 billion revenue industry. In countries such as Spain, where tourism is a top industry by GDP, total hotel bookings declined by 73 percent.

When the pandemic began, LHW knew its portfolio of hotels would not be able to operate normally as government restrictions and safety concerns drastically reduced the volume of travelers.

Part of the company's original 2020 marketing strategy was to grow off the success of its relaunch of the customer loyalty program, driving revenue through customer acquisition and traveler engagement.



LHW found Skift's strategies helpful as they pushed to become a leader during the COVID-19 pandemic. Image credit: Leading Hotels of the World

Once the impact of the COVID-19 pandemic became clear, the LHW marketing team realigned its focus shifting away from revenue growth, customer acquisition and engagement to prioritizing the essential services its hoteliers and travelers needed in this new reality.

Hospitality intelligence company **Skift** examined strategies of marketing teams during times of crisis. Each strategy was measured on a spectrum: leaders, average and laggards.

Companies that found themselves in the leaders category positioned themselves in ways that could withstand a crisis.

Despite the pivots, as with all other hospitality organizations during the pandemic, LHW was forced to furlough a large number of employees.

"We became a much smaller team that had to continue to offer the essential services our hoteliers and travelers needed at the time, while also creating new marketing programs to respond to the challenges brought by COVID-19," Mr. Koserowski said.

Remaining agile

LHW's marketing team turned to an agile method, which encourages a hands-on approach and cross-functional working.

By embracing these benefits, LHW's leadership saw the marketing team deploy more campaigns during the critical Q3 2020 travel season, when restrictions had been lifted, compared to years past.

The new agile framework coupled with the focus and dedication of each member of the team quickly produced results, and LHW was able to create flexible and relevant campaigns at a global level when applicable, and on a regional or drive-to-market level as appropriate.

Hospitality brands including LHW have launched campaigns vacillating from inspirational, when travel was not possible, to informative as markets began to open.

To successfully implement new marketing plans, LHW remained aware of all the changes that could impact business in the market. The company took a data-driven approach, tracking specific metrics closely to know exactly when, where and how marketing should begin to engage with clientele based on specific market conditions.

Collecting these different insights, LHW created a dashboard to track leading and lagging indicators and restrictions for different markets and to identify target markets.

While the insights revealed by this dashboard were invaluable to the campaign planning process, it was only successful if monitored and updated constantly.

With the new mindset of cross-functional communication and the frequent planning sessions, teams were able to revise plans quickly and implement them in an upcoming sprint.

Next normal

As the world starts to climb back from a challenging 2020, the International Monetary Fund (IMF) is predicting a 5.2 percent recovery growth to the global GDP in 2021.

Vaccination programs are deploying around the world, and the idea of digital health passports is gaining traction

([see story](#)).

Uncertainty remains, but affluent consumers are eagerly returning to travel.

In May, a joint study from Accenture and travel platform Tripadvisor found that more than one-third of high-income U.S. consumers have already booked leisure travel for the year, including 32 percent of high-income millennials. A quarter of high-income consumers also noted considering booking international travel, a positive indicator for the luxury hospitality industry ([see story](#)).

As LHW prepares for the impending release of pent-up travel demand and busy travel seasons over the next few quarters, it will continue to work within the agile framework that proved successful during a time of crisis.

"We were able to short-circuit existing processes and execute an end-to-end campaign in one two-week sprint, which had taken us months to accomplish in the past," Mr. Koserowski said.

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