



Search Innovation
CASE

omenahotels



Business:

Self-service hotels



Company:
Omena Hotels

"The results we got in the first few months in 2017 was more than we could've hoped for from a partner ."



Founded:
2001

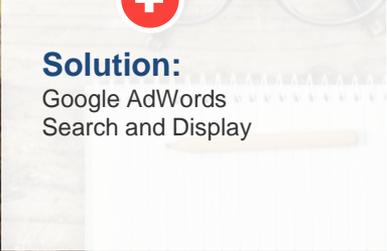


Challenge:

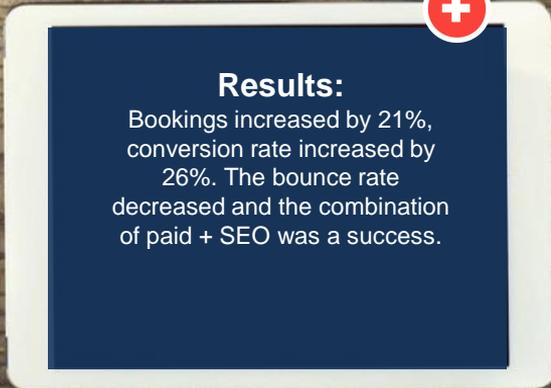
Beating international competitors by using online advertising.



Solution:



Google AdWords
Search and Display



Results:

Bookings increased by 21%, conversion rate increased by 26%. The bounce rate decreased and the combination of paid + SEO was a success.



Concept

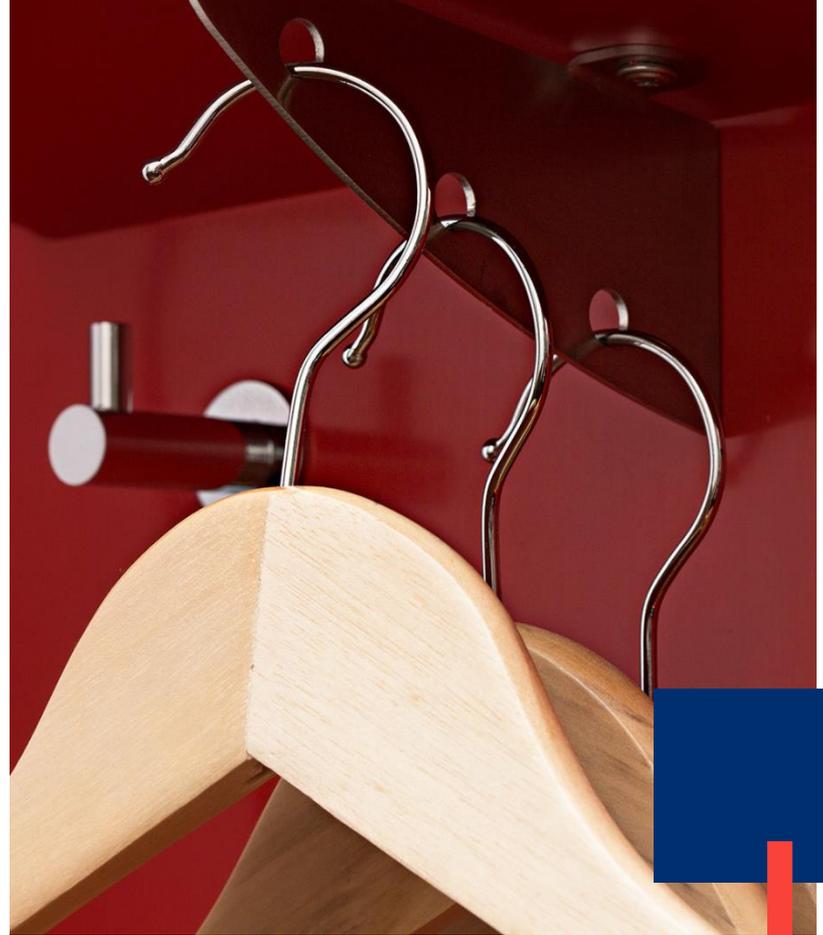


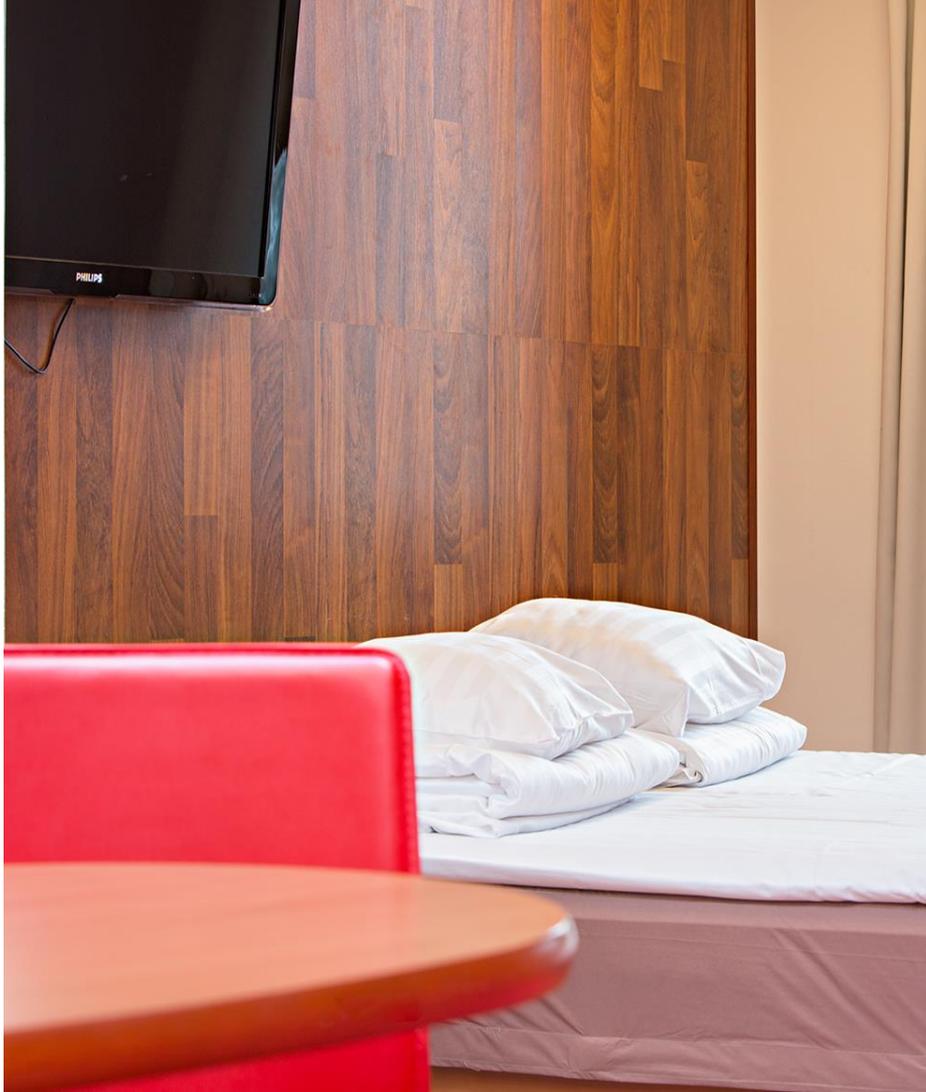
A High Quality Self-service Hotel Chain

Omena Hotels is an independent chain of hotels, with 7 hotels in Finland. Plans are made for moderate national growth.

The hotel concept is based on the idea of people paying only for what they actually need for their accommodation. There is no reception, no lobby, no restaurant, no keys – the rooms work with key codes that change once the booking time ends. It's one of the world's first self-service hotels with online booking only. The hotel uses third party partners for their day to day operations including cleaning, security, maintenance etc., with only a minimum of permanent staff hired for key positions in administration, marketing etc.

The focus is on quality of living. Every room is equipped with 5 star beds, fridges, free Wi-Fi, high quality showers and furniture. All hotels are located in the city center. Everything focuses on making the traveler feel as comfortable as possible. By excluding costs that don't aim at improving the comfort level of the traveler, the pricing can be kept on a very competitive level.





Cost Effective Campaigning Focuses on Profit

To ensure the business stays profitable and cost efficient Omena Hotels keeps tight focus on all costs, while maintaining the high quality the customers have grown to expect.

The company was found in early 2000's with aspirations for international growth. They did expand to Sweden and Denmark but soon learned that to be very challenging. After the lesson learned they decided to limit their business to Finland. The expansion lesson was costly and the company went close to bankruptcy. After learning from the expansion, they built up the business again by keeping a tight focus on profit. All investments, including marketing activities were being scrutinized. There's a clear focus on performance and profit/loss also in marketing. Campaigns are followed up in weekly, monthly and quarterly meetings in order to keep an close eye on the agreed budget and on the optimization.





Omena Hotels meets Fonecta

A True Partnership

The collaboration between Omena Hotels and Fonecta began at the end of year 2016. Omena Hotels was looking for a partner who could take over their whole digital marketing strategy. They were looking for a partner who would understand the special needs of hotel business, who could communicate the results of the marketing activities promptly and effectively, and who is ready to make quick moves on the go. For Fonecta the only question was to make all this cost effectively, the know-how and the abilities we knew we already had.

After the first meetings, an understanding was reached and the actual work started in December 2016. It became clear from the very beginning that this would be a learning process for both of us. By challenging, questioning and demanding even better results Omena Hotels made us push ourselves harder and come up with even better solutions. On the way we learned how to justify our choices more clearly and give a bit of the challenge back. By having these weekly discussions, the collaboration soon grew into a true partnership.





Beating Major Competitors with Quality Campaigns

The challenge with advertising in hotel business is how to beat major international competitors with massive budgets who can easily tackle the most popular search words like “hotel”. Since the price for an individual word would be too high for our customer's budget, the solution was to focus on brand advertising. Omena Hotels has a relatively strong brand in Finland with only the more expensive basic hotel chains as their competitors, so the brand receives a fair number of searches. With brand terms like Omenahotelli, "Omena Hotels" and their variations the team could beat the competition in auctions with e.g. hotel booking websites. The ads made by the Fonecta team receive so high quality points that they were easily able to reach the goal and beat the competitors with presumably higher budgets. All this was done very cost effectively.

In principle a transaction goal through a generic hotel-keyword can cost 10-20 times more than through a brand term. Understanding this it was an easy decision to invest and focus first in brand advertising. By using targeted search words, collecting audience lists and optimization the campaign continuously the team could learn and develop their work as they went on.

By successfully testing and developing an alternative campaign type in AdWords called Dynamic Search Ads (DSA) we have also been able to participate inexpensively in auctions for generic hotel searches as we have combined targeted audience lists including Google managed “smart” audience data into the campaign setup. We have also used other standpoints when it comes to terminology to get substantial results including search terms like "self-service hotel". Further dedicated campaigns to reach groups and business travelers whose aim is perceivable via search terms, are also maintained and cultivated. With the collected amount of data available the follow up optimization and reporting will make use of the data-driven attribution model now available in AdWords for Omena Hotel's account.

”The key to the whole process has been learning, developing and optimizing.”



From manual to automatic

Combining Organic and Paid

To set the baseline for the campaign we started off with setting up the campaigns and strategies manually. By combining SEO with advertising the campaign got good results from organic search engine visibility. In the beginning the paid ads overcame the organic visibility but the combination of paid + organic resulted in us beating the international booking sites. Once we had gathered enough data we were able to analyze and learn of it and venture further trust to Google's algorithms and analysis based on data. Gradually we changed the settings and strategies to follow predicted/target CPA (cost-per-acquisition) bidding method.

The conversion percentage rose and from a cost-effective viewpoint the results kept on getting better. After a while the search engine optimization of the site started to pay off and the organic visibility started to rise over the paid searches.

The objective at the moment is to find a balance between the organic and paid content while maintaining the overall results. The future optimization of the paid search advertising gives more possibilities to achieve valuable results outside the brand term advertising as we now have managed to run the campaigns more intelligent with less budget.





Message

The key message of the campaign is to make people aware that by booking directly through the hotel's website they will get a better price than via a multinational booking site. There's a price cap for the rooms, as the price will never go over a certain limit even if it's a holiday season or there's a big event in town. You will get the room cheaper by booking in advance, but you never suffer for traveling at a popular time.



January Discount campaign

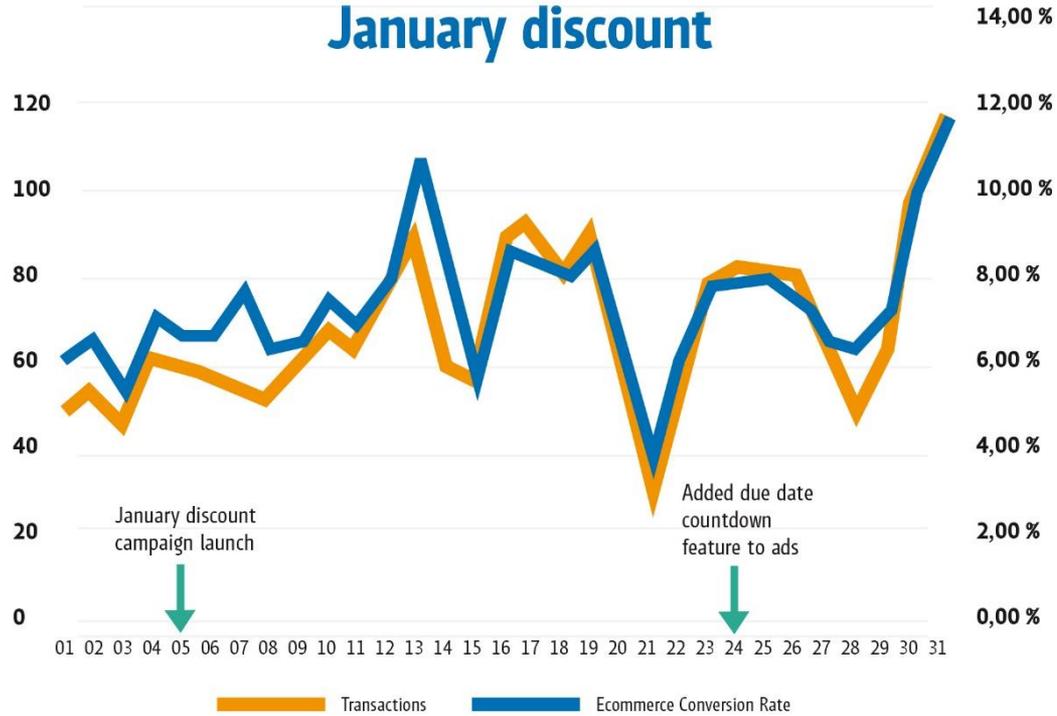
Omena Hotels differs from other, regular hotels by the share of business travel. Generally, hotels do very well in the winter season because of a steady number of business travelers. As most businesses have some sort of a deal with major hotel chains smaller businesses like Omena Hotels have to find their customers elsewhere. We tackled this problem with a January discount offer ad campaign, later on boosted with a dynamic counter in ads that showed how many days or hours the offer was still valid for. By emphasizing the time factor, we got people to react actively to the ad and got great results.

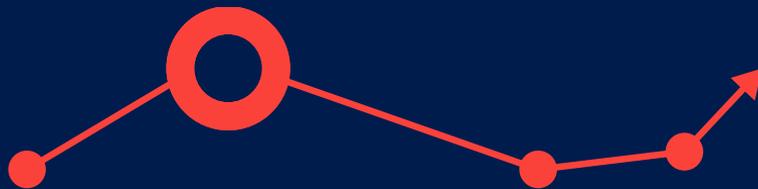
The campaign focused on consumers, especially families and other travelers. The campaign pointed out the benefits of online booking directly via the company website and encouraged people to acquaint themselves with the online service. As the figures show the tactic worked perfectly.

"Improving SEO and getting better found and available for potential customers fulfilled our needs and helped us to meet our objectives"



January discount





Results

+21 %

Bookings

-19%

Bounce rate

+26%

Conversion rate on transactions

+1%

Account media spent

+21%

ROAS increase

1891%

Total ROAS%
vs. 1562% 2016

AdWords Search and Display. Comparison: January - April 2017 vs 2016 (4 months).
Measured with Google Analytics default attribution model. Assisted conversions not included.

Fonecta