

The Luxury Hotel Industry's Slow but Steady Start in Digital

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Sean Creamer



An interview with:
Brian Gore

Director, Brand and Marketing
The Set Hotels

The luxury hotel industry used to lag in comparison to other categories—high-end or not—in its use of digital, but that's changing as brands realize the opportunities for personalization and communication. eMarketer's Sean Creamer spoke with Brian Gore, director of brand and marketing at high-end hospitality chain The Set Hotels, about the steps the company is taking to listen to its customers online and deliver a better brand experience using digital. Gore was interviewed as part of eMarketer's July report, "**Affluents in France, Germany and the UK: Savvy and Demanding, Both Online and Offline.**"

eMarketer:

Do you think the luxury hotel industry has fully embraced digital yet?

Brian Gore:

Luxury brands, hospitality included, were a little slow on the uptake. Luxury hospitality brands are traditional, and they've relied on the old way of doing things for a long time. But that's changing. Now luxury brands are creating content, conversations and engagement online, which the hotel world didn't do well in the past.

Our greatest ambassadors are our guests, and we needed to start treating them as such. Instead of trying to dictate what luxury is, just listen to what others think, because luxury is very different to different people.

Luxury hotels have always relied on that one-on-one contact with the guest, which is fine for certain types of guests, but others are different. If we're going to attract new guests, we have to be where they are and where they're having their conversations.

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eMarketer:

Affluent consumers are digitally savvy, but are they accepting of your digital messaging?

Brian Gore:

We've transformed our marketing spend largely towards digital. We spend a fair amount of money on PPC [pay per click], remarketing, banner advertising and social. We've also started to dip our toes into programmatic.

That being said, brands have to be careful, because you can turn someone off with digital advertising as much as you can turn them on. It's all about relevance and how you display your brand message.

Every hotel, but especially ones aimed at affluent consumers, needs to understand what their guests like, when they travel during the year, what makes them choose a hotel and even if they haven't revisited your business.

eMarketer:

Are you taking any steps to make your digital messaging more relevant to affluent consumers?

Brian Gore:

Personalization is front of mind for us at the moment in terms of how we communicate. We're introducing a new CRM [customer relationship management] system that will give us a lot more capability around personalization. As a young, small hotel group, that investment is quite large, but it's incredibly important. We're asking how we can personalize our communication with every guest, whether that's a millennial or a traveler from an older generation.

We communicate with some of our more frequent guests via WhatsApp, because that's where they are and how they want to be communicated with. We're lucky that we get contact with our customers when they check into the hotel, and through that we can build relationships. We try to learn everything we can about our guests, and that dictates how we communicate to them.

“We don't always get it right, so we tweak, make changes and constantly measure. We're hugely focused on that.”

eMarketer:

Is there still work to be done in the luxury hotel industry with digital?

Brian Gore:

The hotel industry is behind retail and other luxury categories. We haven't fully embraced digital, and we still rely too heavily on third parties, like online travel agents. We're trying to push forward, but you have to be clever about how you do it. We don't always get it right, so we tweak, make changes and constantly measure. We're hugely focused on that.

The luxury market didn't adapt very well to social at the beginning. Social is informal by nature and luxury companies are protective of their brand. But that's changed now, and brands need to be where consumers and their conversations are happening.

Interview conducted on June 12, 2018