NAVIGATING THE COOKIELESS FUTURE

Strategies for Action

March 2024

Curacity

For the last twenty years, third-party cookies have been a critical component of online marketing, analytics, and personalized content delivery in the hospitality industry and all B2C sectors. For hotels, these cookies have served several functions, from behavioral targeting to retargeting campaigns to tracking and attribution.

However, the landscape for third-party cookies is rapidly changing due to increasing privacy concerns and regulations. The shift has dramatically pushed the hospitality industry towards more privacy-focused alternatives, such as first-party data collection and consent-based marketing practices. Yet, an Adobe survey found that only 37% of companies are "very prepared" for a world without third-party cookies.

At Curacity, a company that operates at the intersection of hospitality, technology, and media, understanding and adapting to these changes has been crucial, and we're happy to share what we've learned.

Leveraging new technology that respects user privacy while enabling personalized and effective marketing is the key to success in achieving a strong return on marketing spending. And after reading this ebook, if you want to learn more about how Curacity can help, let's talk.

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INTRODUCTION

The digital landscape has undergone a seismic shift in recent years, driven by evolving consumer privacy and regulatory concerns. Among the most significant developments is the impending demise of third-party cookies, once the cornerstone of online advertising.

This shift poses significant challenges and opportunities for hoteliers who rely heavily on targeted advertising to attract new guests and drive bookings. The good news? Building deeper, more meaningful connections with guests performs better than intrusive advertising. Read on to learn how to succeed in a post-cookie world.

BUILDING DEEPER, MORE MEANINGFUL CONNECTIONS WITH YOUR GUESTS PERFORMS BETTER THAN INTRUSIVE ADVERTISING.

UNDERSTANDING THE COOKIELESS LANDSCAPE

To understand the implications of the cookieless future, it's essential to trace the journey that led us to this point.

BACKGROUND

Third-party cookies have become increasingly scrutinized due to privacy and data security concerns. In response, major browsers, including Google Chrome and Apple Safari, have moved to phase out support for these cookies. Several factors contributed to their demise.

- USER PREFERENCES. Increasing awareness among users about online privacy has led regulatory bodies to enact stricter privacy regulations. This shift has made it harder for hoteliers to collect and leverage user data for targeted marketing campaigns.

- PRIVACY REGULATIONS. The General Data Protection Regulation (GDPR) in Europe and the California Consumer Privacy Act (CCPA) have limited the collection and use of personal data collected through third-party cookies.

- BROWSER CHANGES. Major web browsers have introduced measures to enhance user privacy and security by limiting the effectiveness of third-party cookies, including allowing users to opt out of tracking. Google Chrome announced plans to phase out third-party cookies from 1% in January 2024 to 100% in Q3 2024.

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GOOGLE ANNOUNCED PLANS TO PHASE OUT SUPPORT FOR THIRD-PARTY COOKIES IN CHROME TO 100% OF USERS IN Q3 2024.

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CHALLENGES

For decades, hoteliers have used third-party cookies to track user behavior and deliver targeted ads – crucial for the hospitality industry, where the average customer journey, Google says, spans four months and 7,500 digital touchpoints.

Getting a hotel brand to stand out in this complex environment is hard enough (hotel websites only get 2% of visits), and the lack of targeting in the wake of the cookie's demise will disrupt the status quo and add a new layer of complexity for everyone, from marketing managers to revenue managers and general managers.

TRAVEL MICRO MOMENTS

Without third-party cookies, the hotel's main challenge will be familiar: competing against OTAs and metasearch sites, which, according to Google research, dominate a user's attention throughout the travel planning journey.

With decreased targeting precision leading to potentially higher guest acquisition costs and fewer insights to gather from third-party data that once helped hotels effectively target their potential guests, it will be more important than ever to adapt new strategies that help hotels continue in their push for direct bookings.

Searches 8 · Air 3 · Hotels 2 · Metasearch 12 · OTA 49 · Maps 20
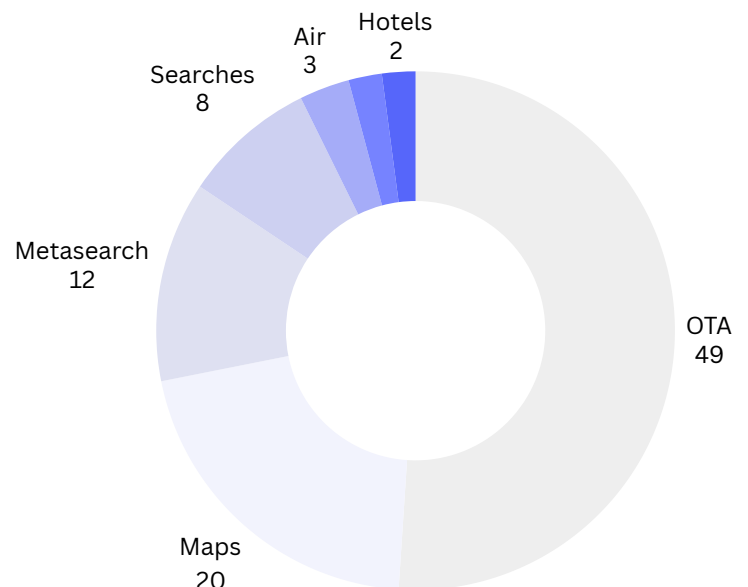
Source: Google partnered with Luth to analyze the digital activity of its opt-in panel participants during a one-month, live-tracking study. This article details the cross-device clickstream data of one of those participants. Liam is a pseudonym. The participant agreed to the publication of this research for marketing purposes under the condition of anonymity. Liam did not disclose mobile data, so all data is desktop-only.
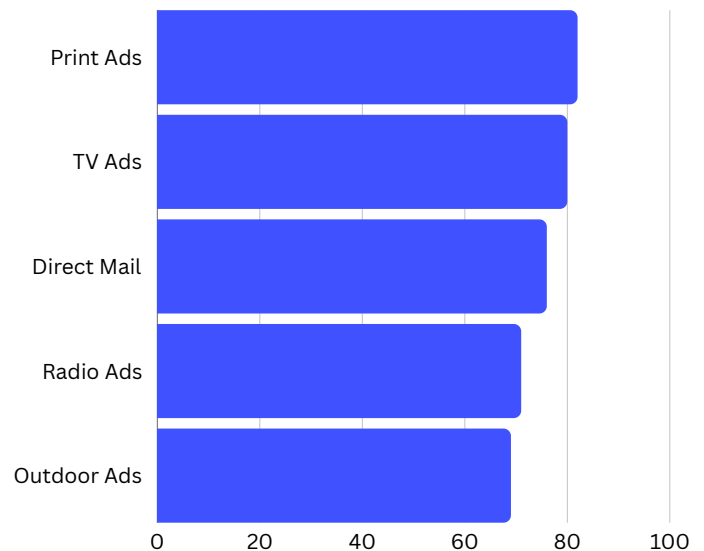
OPPORTUNITIES

While hotels face an uphill battle in the cookieless future, another study by MarketingSherpa reveals an ample opportunity: consumers never particularly trusted digital ads, anyway.

"Print's scarcity and standards make it more credible," says MarketingSherpa. They cite The New York Times' famous slogan, "All the News That's Fit to Print," and compare it to online pop-up ads, "annoying in and of itself," and, "when it's popping up over low-value online content, it becomes even less trusted."

TRUSTED ADVERTISING CHANNELS

Among the top five most trusted ad formats, digital does not appear. Traditional channels, including print, TV, direct mail, radio, and outdoor, hold the most consumer trust. This fact leads to a positive conclusion: if digital ads aren't the best way to win potential guests, then the demise of third-party cookies is a chance to move on from bottom-of-funnel tactics and better convert the target audience.

The intrusiveness of digital ads is one of the most significant factors that contributed to the demise of third-party cookies.

Source: Maråçketing Sherpa

" PRIORITIZE TOP-OF-FUNNEL BRAND MARKETING TACTICS THAT HELP YOU BUILD YOUR BRAND TO STAND OUT, DRIVE DEMAND, AND GENERATE REVENUE "

The demise of third-party cookies is an opportunity in itself. While our industry has gotten used to cookie-based marketing, it's important to understand the disadvantage they presented to hoteliers. With an average lifetime of 30 days, cookies were never a solid method for tracking the complex travel planning journey, which could stretch across months..

Third-party cookies forced hotels to rely heavily on last-click attribution, where credit for a booking goes to the last marketing touchpoint. Bottom-of-funnel tactics like digital ads, which target guests at the end of their travel planning journey, often claimed the lion's share of credit for hotel bookings. This myopic approach disregards the value of top-of-funnel marketing tactics (such as those by trusted media identified above) that first capture guests' attention and hold their interest, from media coverage to social media campaigns to email newsletters.

In the cookieless world, hotels must prioritize top-of-funnel brand marketing tactics that build their brand, make their properties stand out, drive demand, and generate revenue. Building deeper, more meaningful connections with guests (while respecting their privacy preferences) will take precedence over intrusive advertising.

By embracing alternative strategies, first-party data, and new technology, hotels can capitalize on the compelling tactics for optimizing revenue in a post-cookie world – all within the new boundaries of privacy.

IMPLICATIONS FOR THE HOSPITALITY INDUSTRY

Third-party cookies played a crucial role in guest acquisition.
How will their demise impact your day-to-day?

IMPLICATIONS

As we've outlined, most travelers spend several weeks or months planning a trip and interacting with online travel magazines, social media channels, online travel agencies (OTAs), the hotel website, and many more digital destinations before booking. Cookies fueled the ads that followed these users across the web and nudged them toward a booking.

Preparing for the cookieless future, hotels must adapt their guest acquisition strategies to align with new privacy regulations and user preferences.
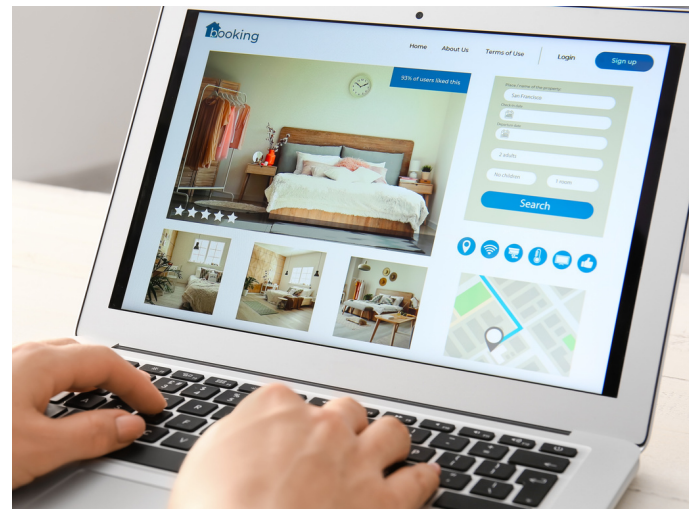

LESS DATA   01

According to Digiday, the cookie "depreciation is preventing brands from effectively measuring the effectiveness of media campaigns in real-time at highly granular levels," with ad campaigns quickly losing their effectiveness in reaching potential guests.

MORE COMPETITION   02

Limited targeting and reduced attribution will make competing with OTAs for direct bookings harder, increasing acquisition costs and eroding profit margins. In the face of stiff competition, adopting new and innovative strategies will be more crucial than ever.

STRATEGIES FOR SUCCESS

Despite the challenges the cookieless future poses, there are even more opportunities for innovation and adoption.

BUILDING FIRST-PARTY DATA

Hotels must prioritize driving direct bookings through their website and booking platforms.

In the absence of third-party cookies, capturing valuable first-party data will be the path to the success of the cookieless future. While first-party data has always been a priority, it's no longer about having a robust SEO strategy or creative social media presence: hotels must go above and beyond to capture potential guests and make direct bookings the clear-cut choice.

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REACHING POTENTIAL GUESTS THROUGH MEDIA OUTLETS REMAINS ONE OF THE BEST WAYS TO EFFECTIVELY TARGET YOUR GUESTS.

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BEST RATE GUARANTEE 01

Assure guests they'll receive the best available rate by booking directly through your hotel's website. It's a simple gesture that many properties need to make explicitly clear. Highlight the guarantee prominently (think: promotional banners, meta descriptions, recurring social posts) to instill confidence in those who believe they are getting a deal by booking through their preferred OTA.

LOYALTY PROGRAMS 02

Loyalty programs incentivize guests to book directly with the hotel, providing an opportunity to collect data on preferences, behaviors, and booking patterns. Once potential guests log in, you may engage with those guests through more personalized communication and feedback mechanisms to gather additional data and foster loyalty.

EMAIL MARKETING 03

At any given time, most of your potential guests aren't ready to book right now. Getting them to sign up for a monthly email newsletter is a great way to keep them engaged with blog posts, destination guides, and travel tips, eventually inspiring them to book a stay.

MEDIA COVERAGE 04

Reaching potential guests through media outlets like AFAR, Condé Nast Traveler, and Travel + Leisure remains one of the best ways to target your guests without third-party data. Moreover, once you earn these trusted, third-party endorsements, you can use them on your website and in your marketing materials as social proof to help drive direct bookings.

CREATE YOUR OWN CONTENT

Hotels must start telling their own stories in their own words to stand out and drive demand.

Before a potential guest can book a stay at a hotel, they need inspiration to travel. Investing in high-quality, relevant content that resonates with the target audience, including destination guides and travel tips, will help hotels be more visible throughout the travel planning journey, resulting in email signups and direct bookings to fuel a first-party data collection strategy.

Creating this content is easier than ever with AI. Starting a blog on Substack requires no developer, while paid tools like Grammarly (and free alternatives like Hemingway App) do all the editing work. While hotels still need to invest time, AI has streamlined the production process like the industry has never seen.

" ASK YOURSELF: WHAT WILL HELP YOUR POTENTIAL GUESTS INTERESTED AND FOLLOWING ALONG BETWEEN STAYS, UNTIL THEY'RE READY TO BOOK AGAIN? "

CONTENT STRATEGY 01

Outline your target audience and their preferences and needs. How can you help them? From travel tips and local attractions to recipes and styling, think about how you can create content your potential guests won't find anywhere else. Ask yourself: what will keep your potential guests interested and following along between stays until they're ready to book again?

CONTENT CREATION 02

The creation process was once arduous, but no longer. ChatGPT speeds up the writing process so you can focus more time on coming up with ideas and coordinating with contributors, whether it's a marketing resource or employees interested in sharing their favorite things to do near the hotel. Spend more time creating the most authentic content and less time using AI to polish it.

CONTENT DISTRIBUTION 03

Once you've created content, you need it to reach the widest audience possible. Upload it to your blog or website, share it in an email newsletter, and post it on social media. Also, consider who else can share the content, from hotel employees who contributed content to the brand partners mentioned in the article.

CONTENT PROMOTION 04

Using a small paid advertising budget can still help your content go far. While the loss of third-party data has diminished the hyper-targeting of digital ads, Meta Business Manager still lets you quickly "boost" posts to your potential guests based on their location and interests for as little as a few dollars.

EMBRACE CONTEXTUAL TARGETING

Hotels must deliver content to guests where they're already hanging out online.

In the cookieless future, contextual targeting will be a solution to reduced targeting abilities. Contextual targeting involves delivering content to potential guests based on the context of the content they are currently engaging. It doesn't rely on personally identifiable information or user tracking, meaning hotels can deliver targeted content without infringing on user privacy or relying on third-party cookies.

By identifying audiences already interested in travel-related content, hotels can be more certain they're reaching people likely to be in the market for accommodations.

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CONTEXTUAL TARGETING LETS YOU GET SPECIFIC WITH YOUR AUDIENCES RATHER THAN RELYING ON BLANKET MESSAGING THAT FEELS GENERIC AND LESS TARGETED.

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IDENTIFY CONTEXTS 01

Think about where your potential guests are likely to be present. These places could be the online magazines they read or the niche influencers they follow. Contextual targeting isn't about finding the "perfect" audience match but identifying where there's an overwhelming context that would make the audience likely to resonate with your property.

TAILOR MESSAGING 02

Create targeted messaging that aligns with the context and interests of the audience. For example, a resort might want to deliver content in Golfweek targeting one audience while promoting its Michelin-starred restaurant in Food & Wine. Contextual targeting lets you get specific with your audiences rather than relying on blanket messaging that feels generic and less targeted.

ACHIEVE BRAND ALIGNMENT 03

Contextual targeting ensures brand alignment more than a blanket approach. Think of it this way: you wouldn't work with an influencer who posts about controversial topics or has an aesthetic that doesn't align with your brand or target audience. Contextual targeting is all about ensuring your chosen channels create a positive association with your brand.

REFINE YOUR STRATEGY 04

Testing some contextual targeting campaigns will give you a sense of which pillars of your brand resonate the most, which is especially helpful for properties with an array of amenities and offerings. Take stock of what's performing and consider spending more on the areas driving the best results.

KEY TAKEAWAYS

The cookieless future is a lot to take in. Here are the main points to consider.

ALL ABOUT DIRECT 01

Focus on building relationships with guests through loyalty programs, email marketing, and media coverage to drive direct bookings and gather first-party data.

TELL YOUR STORY 02

Create high-quality, relevant content that resonates with your target audience and establishes your hotel as a trusted authority in the industry, increasing traffic, email signups, and direct bookings.
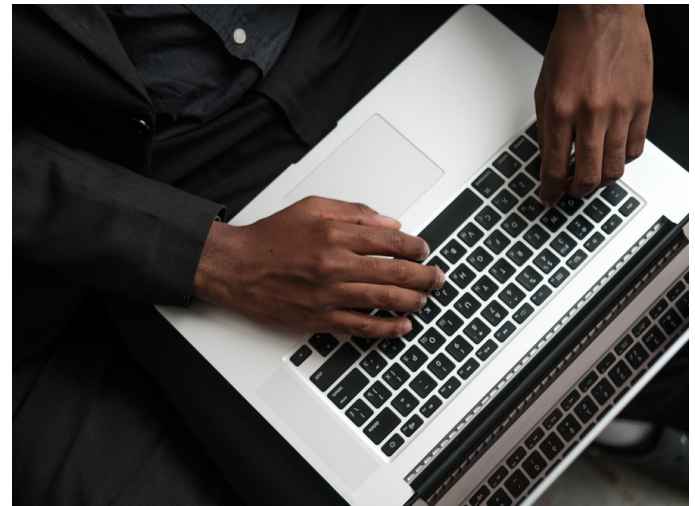
SHOW UP FOR YOUR GUESTS 03

Identify relevant contexts and environments where your target audience is present, seek placement, and tailor your messaging accordingly.

ADOPT NEW TECH 04

Work with partners who can help you reduce reliance on third-party data, streamline your efforts, and automate functions to save you time and resources.

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