

# BUILDING AN ONLINE BRAND

The right online business model can help hotels increase customer loyalty and booking rates, and add new revenue streams

SERVICE SYSTEMS



It's no secret the World Wide Web has become one of the most important information tools in today's fast-paced society. The Internet is where people go to do anything nowadays, from looking up a recipe to shopping for gifts, or booking a flight and planning a vacation.

For many businesses, the Internet is often the first contact with a potential customer, which for a hotel operator could mean a booked room. "The goal is to get people to book rooms," says Patrick O'Neil, senior vice president of operations for NYLO Hotels ([www.nylohotels.com](http://www.nylohotels.com)) and general manager of the company's Plano at Legacy location in Plano,

Texas. "At the end of the day, we have to book rooms."

And with the continually changing online arena, many operators rely on technology to give them the competitive edge they need to capture and satisfy customers via the web. Applications for online booking, e-mail marketing and online

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**PICTURED ABOVE:** NYLO Hotels launched its site in December 2007, corresponding with the opening of its first brick and mortar hotel in Plano, Texas. The site has a unique look and feel, staying true to the company's overall goal of offering a departure from the typical business-class hotel.

shopping are just a few ways hotel websites are staying up-to-date. However, staying on top is a daily job.

### Web meets CRM and PMS

"We've always viewed the web as an integral part of an entire umbrella marketing strategy," explains Arthur Morrisey, marketing manager for Morrisey Hospitality ([www.morriseyhospitality.com](http://www.morriseyhospitality.com)), which operates eight hotel properties and five onsite restaurants, including the St. Paul Hotel and Hotel Minneapolis in Minnesota. "We utilize our websites to stay in front of the customer and stay as up-to-date as possible, which is getting harder because it is constantly changing. Also, people are using the Internet more today than they ever have in the past. We update everyday."

Morrissey Hospitality launched its first website 10 years ago, and has continued to upgrade and invest in its online presence, using property management systems (PMS) to handle the coordination of rooms, rates and availability, such as Maestro PMS ([www.maestropms.com](http://www.maestropms.com)), which is used at some locations, as well as online booking engines that tie into the PMS.

However, what it really comes down to for any successful business is satisfying the customer, and one of the biggest investments the company made this past year was in its customer relationship management (CRM) system from Clockwork ([www.clockwork.net](http://www.clockwork.net)), based in Minneapolis, what Morrisey calls "the future of our communication and understanding of our guests."

Clockwork houses and manages the company's websites and updates content as needed without Morrisey having to employ web masters. It also

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houses the database of information and is connected to the hotel and restaurant reservation systems as well as the sales system.



**PICTURED ABOVE:**

**In the fourth quarter of 2007, management and ownership company Morrisey Hospitality added the ability to purchase gift cards online. Its hotels, which include the St. Paul Hotel and Hotel Minneapolis in Minnesota, have since seen a 30 percent increase in gift cards.**

The CRM system allows the company to gather data on customers and reach out to them to provide better service, Morrisey explains. It also tracks from where customers enter the property websites, and where they exit. Since

number of people we are touching on a daily basis, as well as those coming to our websites, has grown." The company sends an average of one marketing e-mail per week, says Morrisey.

### Maximizing potential

NYLO Hotels launched its website in December 2007, corresponding to the launch with the opening of its first brick and mortar hotel in Plano, Texas. Two other properties are still under construction in Rhode Island and Las Colinas, Texas.

investing in the CRM system, Morrisey has seen reservations and hotel properties "grow significantly," he says. "Our wealth of communication and the num-

"We are out there and trying to get people to come to our site, discover who we are and come to our hotel and our restaurant," notes O'Neil. "It's a daily strategy and we are



**PICTURED ABOVE:** NYLO ties its brand image to its online presence by selling NYLO-exclusive merchandise from its website. Visitors are able to purchase NYLO Nite bedding by Simmons; music from independent artists not yet signed to record deals; NYLO Wear by fashion designer Daniel Vosovic; and paintings by local community artists.

working on it with designers and developers creating keywords and search engine optimization.”

For NYLO, like many hotel operators both new and old, it's about creating a brand and gaining customer awareness and recognition. And this new hotel is utilizing its website to the max. Its booking engine is run by SynXis ([www.synxis.com](http://www.synxis.com)), which also interfaces with NYLO's PMS system from SoftBrands ([www.softbrands.com](http://www.softbrands.com)).

Additionally, when deciding on a web design, the company chose to add Flash technology because it works with the image it is trying to portray. “We are building a brand that touches every point of someone's experience, be it music, clothing or design,” says O'Neil. “We had to be careful because we know flash isn't the most optimizable way to build a website. But the newest version of Flash can be optimized. Of course, not everybody has the newest version, so we went back one or two versions without going too far back.”

The website has “movement to it,” says O'Neil. “It moves like a subway from line to line, and you always know where you are. It is not your normal website. The purpose is to get people to know us, but the major purpose is to get people to book rooms.” And being

a new hotel, O'Neil set up an e-mail for career applications to be sent online, which he says has been a very successful feature.

#### A new profit center

Aside from attracting customers to a hotel website and getting them to book a room, operators are now going one step further and offering items for purchase online, from gift cards, bed sheets, robes and mattresses, to local

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artwork and fashion. Each new offering represents potential additional revenue to the bottom line.

In the fourth quarter of last year, Morrissey Hospitality added online shopping to its sites utilizing Clockwork, and customers can now purchase gift cards online rather than just onsite. “The online gift cards have been very positive,” comments Morrissey. “Just this December versus a

year ago, we have seen a 30 percent increase in gift cards, and we continue to see growth from month to month.”

In the near future, Morrissey hopes to add other aspects such as food, wine or hotel robes for purchase online. “It started with people desiring to purchase things when they were checking out of our hotels, such as the robe in the room or a certain bottle of wine,” he explains. “We saw people's desire to take home our brand and it is a great opportunity to get inside people's homes and have them take their experience home with them.”

And even before its doors were open, NYLO saw the same opportunity to tie in its brand image with its online presence. While visitors will be able to purchase NYLO Nite bedding sold by Simmons, which includes the mattress and bedding products, they can also go to the NYLO Life section to hear and purchase CDs featuring original tracks by independent artists not yet signed to record deals, according to O'Neil. Also, the company partnered with fashion designer Daniel Vosovic from Bravo-TV's show “Project Runway” to design NYLO Wear, an exclusive collection for NYLO available online.

“We have a fulfillment house in Atlanta, and use Google checkout online,” says O'Neil. “We are building a brand, and the public relations opportunities available with Daniel and his expertise are a good fit.”

Furthermore, paintings by local community artists are hung throughout the hotel and are available for purchase onsite as well as online. “I ran an art contest, and the whole hotel is filled with work by local artists — from the rooms to the corridor — all available for purchase,” says O'Neil.

Perhaps a hotel website is about more than just getting a customer to book a room. **IT**