

2010 Choice Co-op Marketing Program

Frequently Asked Questions

Why aren't co-op regions allowed to participate in paid search or keyword buys during the first quarter?

On January 1, 2010, in collaboration with the Choice Hotels Owners Council (CHOC), Choice Hotels hired MMG Worldwide as the new interactive agency of record to support the Choice Co-op Marketing Program. As the new interactive agency of record, MMG reviewed many opportunities and challenges with the existing co-op marketing efforts.

One major challenge included the low return on investment (ROI) with paid search marketing. Research showed that the current paid search efforts were targeted at the regional and state levels, excluding the city (local) level. As a result, Choice is in the process of creating co-op city landing pages with fresh content to make the paid search efforts more successful.

Why was co-op reporting limited in the first quarter?

The transition from HeBS to MMG occurred during a time when Choice had committed all of its IT resources to development, beta and launch of the new ChoiceHotels.com. Until the electronic tags and data transfers were implemented to allow more detailed tracking, MMG was only able to provide limited tracking. This needed technology was implemented in February. Starting in April, all co-op regions will receive detailed reports on March activity.

What can be expected from the co-op reports in the future?

Regions may notice many differences between the HeBS and MMG reporting methods. The previous agency (HeBS) used a 30-day tracking window for online impressions while the current agency (MMG) uses a 14-day window. Although this may initially impact ROI, this tracking method demonstrates a more accurate picture of revenue directly attributed through co-op marketing efforts.

MMG carefully analyzes all travel distribution networks to determine the best opportunities for each region/state/city that will maximize ROI in the online travel market. MMG is committed to monitoring performance and will shift online ad placement and frequency so that all regions/states/cities benefit from the right opportunities. Returns should improve as recommendations are made to shift from lower to higher performing paid search efforts throughout the year.

Will the new reports from MMG show a decrease in co-op revenue?

Our industry is experiencing lower revenues in the current economic climate that will most likely impact ROI. It has never been more important for hotels to participate in the co-op marketing program and take advantage of its marketing efforts. Choice encourages the co-ops to continue to drive awareness for hotels and maximize revenue through the regional and state sites.

Why does Choice require co-op regions to invest 80 percent of membership contribution in online marketing with the interactive agency of record?

According to research, hospitality organizations are continuing to shift budgets to support stronger online marketing efforts because of its proven success. Online marketing provides a greater global reach and drives better results for co-op members. In addition, online marketing is the most trackable form of advertising with the greatest ROI.

Are co-ops required to follow the eCommerce Internet Distribution Strategy?

Yes, all hotels are required to follow the policy that supports the Internet Distribution Strategy. Driving business to direct channels like the Choice co-op regional and states sites while maintaining rate parity with ChoiceHotels.com and 800.4CHOICE is a key component of this distribution strategy.

Why can co-ops no longer use the standard discounted co-op rate codes (L5, L10, L15)?

Choice understands the challenges hotels are experiencing in today's economy; however, dropping rate and offering unnecessary discounts is not the right solution. Research shows that while occupancy may suffer, hotels that hold rate enjoy relatively higher revenue than their competition. Hotels need to resist the temptation to drop rate and offer deep discounts just to fill rooms.

Choice is committed to working with the co-op regions to reduce unnecessary discounting and develop marketing strategies that align with the Choice rate and selling strategies. Previously, co-op advertisements were tied to discounted rates like L15 as a method of tracking. With more detailed co-op reporting available, co-ops receive more accurate online and offline (based on promotion description) reporting. These detailed reports allow the co-ops to best understand the ROI for regional and state level marketing efforts.

Is LGDS considered a standard co-op rate plan?

No. The LGDS rate plan supports any TravelCLICK advertising and is set at Best Available Rate (BAR). Hotels can no longer change the percentage off on LGDS.

I am a choiceADVANTAGE property and LGDS is no longer an available rate plan. Where can I see the LGDS revenue for my property?

Properties in regions that participate in TravelCLICK advertising can find this revenue reported on ChoiceCentral.com within the property-specific eCommerce and Reservations Dashboard.