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Faculty of Tourism

Final Degree Project

DIGITAL MARKETING PLAN: ECORAL HOTEL

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S'autoritza la Universitat a incloure aquest treball en el Repositori Institucional per a la seva consulta en accés obert i difusió en línia, amb finalitats exclusivament acadèmiques i d'investigació	Autor		Tutor	
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1. <u>INTRODUCTION</u>

In this Final Degree Project, our aim is to put in practice the knowledge that we have gained during the last four years in the University of the Balearic Islands. Tourism is a degree that focuses on different areas from the social and legal sciences that are crucial for the management of a company in this sector. It aims at providing students with multi-disciplinary knowledge and sufficient self-capacity in order to be able to develop researches and make useful decisions in a technical expertise environment of a tourism context.

This Digital Marketing Plan is about a start-up project for building a new hotel called *"Ecoral Hotel"* that would be located on Hamilton Island, Queensland, Australia – in the heart of the Great Barrier Reef. It would be specialized in the planning and organization of personalized honeymoons for couples interested in spending the most important holidays of their life in an environmentally-friendly way.

Due to the good weather it would open throughout all the year and would welcome couples from all around the world in its high quality and ecologically designed bungalows.

Ecoral Hotel will try to achieve its main organizational goal of becoming the leader in service quality of the honeymoon hospitality sector by providing unforgettable experiences to people concerned with the climate change and preserving the nature, at a reasonable and fair price.

In order to make that project real, a detailed business and financial plan has been created, followed by a general marketing plan including the hotel's mission, vision and values, an analysis of the country's micro and macro environment, SWOT analysis and a Marketing Strategy about its target market, value proposition and positioning among the competitors. The Digital marketing plan comes right after, and defines the performance and branding objectives of the organization, and the Key Performance Indicators that the hotel is going to use to measure their achievement.

2. **BUSINESS PLAN**

For this final project of our career, we have chosen to create an Online Marketing Plan that will be based on the creation and promotion of a new eco-friendly hotel called "Ecoral Hotel" which would be built on the Hamilton Island, located in Queensland, Australia, right in the heart of the Great Barrier Reef.

Before explaining the components and details about the hotel project, we would like to make you familiar with the short history of these two amazing paradisiac places:

2.1. HISTORY OF HAMILTON ISLAND

According to (Hamilton Island Enterprises, 2016b), until 250 years ago, the whole Whitsunday Islands (in which Hamilton Island takes part), and the Great Barrier Reef, were known only to some nomadic Aborigines in the zone.

However, the actual time when Hamilton Island was born as a tropical island resort was in the early 1980s, with the development of the gateway to the Whitsundays and Great Barrier Reef. Keith Williams was the entrepreneur that noticed the potential of that island for the first time, and together with Bryan Byrt they purchased the whole five-square kilometer island with the idea to establish a grazing property on it. A few years later Byrt passed away and Williams decided to turn it into a tourist destination building a commercial airport, a harbor and a resort.

Some time later, a renowned winemaker Bob Oatley was cruising through the islands and he noticed there was a lot of activity going on the island as Williams' project was in its early days of development. In 2003, together with his family, Bob Oatley purchased Hamilton Island and turned it into what it is today – "a world-class holiday destination that promises leisure, lifestyle, adventure and escape in a region of incredible natural beauty" (Hamilton Island Enterprises, 2016b).

2.2.   HISTORY OF THE GREAT BARRIER REEF

As for the Great Barrier Reef, its history is long and diverse. According to greatbarrierreef.org (2015), the process of its formation began approximately twenty million years ago. It's composed by living coral growing on dead coral of many generations that have built themselves into big walls of stone. Other living organisms also live in that habitat, such as algae, anemones, sponges, turtles, snakes, fish, etc.

It's believed the first human contact with the reef was made by the Aboriginal people who occupied big parts of the Australian continent for a period of 40.000 years. Although there is no direct physical evidence, they should have fished and hunted its waters between the islands of the reef region.

Because of its natural breathtaking beauty, it has become one of the seven wonders of the natural world and it has also been declared World Heritage Site in 1981 by the UNESCO. The Great Barrier Reef is the largest coral reef in the world, accounting for 2.600km length and it's the only living organic collective visible from Earth's orbit (Australian Government, 2015). It is also surrounded by hundreds of picturesque tropical islands with wonderful beaches. It offers the world the amazing opportunity to see an abundance of marine life, over 3.000 individual reef systems and coral cays.

The Great Barrier Reef has become one of the World's most sought after tourist destinations and it represents a major contribution to the local Australian economy. The Reef is visited by more than two million people every year and generates approximately 5-6 billion Australian dollars income per year (Facts about the GBR, 2015).

Source: Google images. *Hamilton Island & the Great Barrier Reef*

2.3.   REGARDING THE HOTEL PROJECT

This new hotel will consist of 100 two-floor palm bungalows of 50 square meters each, built by natural and sustainable resources and it will also be situated only a few meters away from the Catseye beach.

Each bungalow will have a king bed, A/C, kitchenette with facilities, telephone, TV, patio, housekeeping, and bathroom with shower. It will use solar energy and will also apply water efficient systems in order to reduce the unnecessary use of water. The interior design of the bungalows will be done by recycled products, so the use of plastics or chemicals involved in the production of furniture and paintings can be totally avoided. And of course, Australia is a country that doesn't have to envy other places' gastronomy, so Ecoral Hotel will as well buy only locally grown products and local wine for its own eco restaurant. And last but not least, the hotel will participate in wildlife protection organizations in order to prevent endangered species of disappearing, and protect beaches and forests that are habitats for animals. This way, it will create an image of an environmentally friendly business that takes care of nature and has the lowest possible impact on it.

Example of how it could look.
Source: Google Images

The hotel would be specialized in the planning and organization of *Honeymoons* and would provide only high quality and exceptional services to its clients, always trying to go beyond their expectations.

Ecoral Hotel would also be opened all year long, as the weather on Hamilton Island is good throughout the year, offering mild temperatures and clear skies right from summer to winter.

However, as Hamilton Island Enterprises (2016c) state in their website, the best time for honeymooners to come is in the months of May and June, as the temperatures are less variable, with the average being 24ºC.

Moreover, Hamilton Island is the only one out of the Whitsundays Islands that has its own commercial airport, and offers direct flights from Sydney, Melbourne, Brisbane and Cairns. The island can also be reached by helicopter, boat, ferry or a private yacht.

But of course, it's not all about the image of the company, as this project is a start-up and therefore it needs financing. There are a few ways to obtain it. The most common one is bank loans. These types of loans have always been tough to secure and very competitive, but at the same time, they are the most accessible option. Moreover, there are other options such as ***business plan contests, crowdfunding, or grants***. Although they can be harder to achieve than a typical bank loan, they can indeed help to understand better whether other people see the project as viable as we do, even before it has become a reality.

According to BMT (2016), the cost for building a top quality hotel including A/C in Australia is approximately 4,000$ per square meter. If we bear in mind our hotel characteristics, the price for building 100 bungalows of 50s.m. each would go up to **20M$**. Breaking down this building cost into details, around 10M$ would go for materials, 9M$ for labor costs, and 1M$ for machine costs. After doing a research on which would be the best sources for funding the project, we created the following table with the maximum amount of money each of them could provide us with in order to reach the 20M$ budget for building the hotel:

Figure 1: BUSINESS PLAN CONTESTS	
The Postcode Lottery Green Challenge	$500.000
The Hult Prize 2016 (Wildcard Round)	$1.000.000
CROWDFUNDING	
ozcrowd.com	$1.000.000
pottermate.com	$1.000.000
GRANTS	
Strategic Tourism Investment by TQUAL GRANTS	$1.000.000
Commercialisation Australia	$2.000.000
BANK LOAN	
HSBC Bank Australia	$13.500.000
TOTAL	$20.000.000

3. GENERAL MARKETING PLAN

A marketing plan is a business document outlining the marketing strategy and tactics of a company focused on a specific period of time. It includes a variety of marketing factors such as costs, target market, goals and action steps that provide the company with direction toward reaching its business objectives, which is crucial to succeed. (Duermyer, 2016)

3.1. *MISSION, VISION AND VALUES OF ECORAL HOTEL*

Being a whole new project, we made a sample of what the mission, vision and value statements would look like:

MISSION

- *"Our mission in Ecoral Hotel is to completely delight and satisfy honeymoon couples who are searching for an eco-friendly way to spend their holidays together."*

VISION

- *"We seek to become the best sustainable provider of unforgettable honeymoon holidays that are concerned with the environment and the climate change."*

VALUES

- *Hospitality:* We offer an exceptional service that delivers amazing guest experience
- *Environmentally Friendly:* We respect the natural environment and reduce our environmental footprint on it. Our sustainability aims at being responsible for the developing of present and future generations.
- *Continuous Improvement*: Anticipating future needs is essential in our sector and innovation is very important technique for the quality of our services.
- *Teamwork*: Creativity, expertise and passion are brought up together in our team for the relationship with our clients, suppliers and stakeholders.

3.2. ANALYSIS OF THE SITUATION: MICRO- and MACRO-ENVIRONMENT OF AUSTRALIA

MICRO – ENVIRONMENT:

- Customers: According to Tourism Australia (2013), there is a trend for people to plan and book their holidays on their own, using Internet as the main channel, a fact that has declined the use of traditional channels such as travel agencies and tour operators. Online and social media are of a great importance as well for the tourism distribution. Customers follow five main stages in the process of purchase cycle: *Dreaming* (media, advertising, social channels), *Planning* (Internet), *Booking* (Internet), *Experiencing* and *Sharing* (social media).

- Employees: According to Australian Commission (2016), the employment system in Australia is very well developed. It provides flexibility and certainty and includes occupational health, safety regulations, and pension payments among other national standards regulated by the state and territory government.

- Suppliers: In the hospitality sector of Australia we can find some big supplier companies such as "Hospitality wholesale", "Hospitality Superstore", "Hisconfe", "John Batman group", etc. As for the food and beverage providers, we can highlight "Fonterra Co-op Group", "Lion Nathan National Foods", "Coca-Cola Amatil" and "JBS Australia". Some of them will be our direct providers for the hotel.
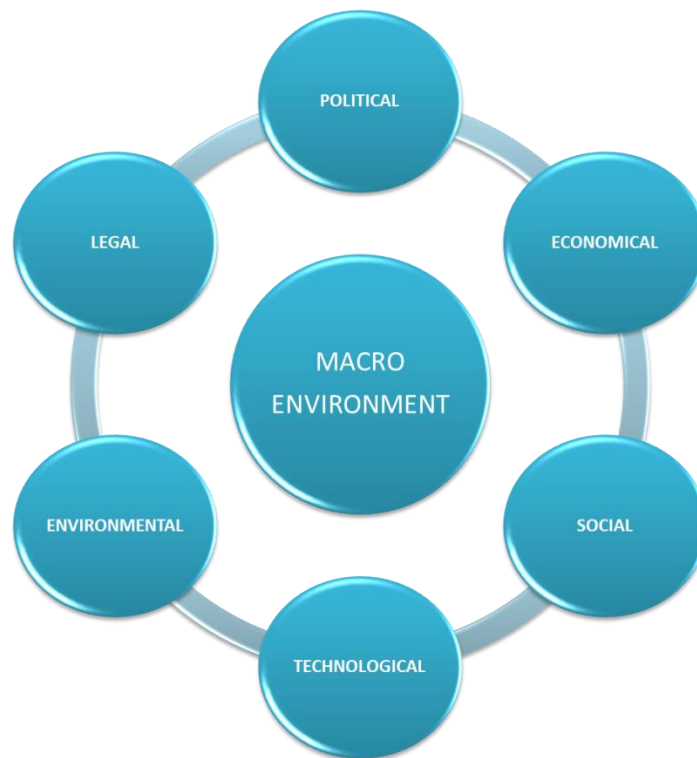
- Media: Nowadays more and more organizations focus on promoting their business via social media channels like Facebook, Instagram, Twitter, etc. rather than through the traditional channel – television advertising. Although its use is declining, it's still leading the path of companies' promoting. Some good TV channel options for small businesses in Australia (as Ecoral hotel is) are Channel 7 and Channel 9. On the other hand, there are also community managers companies such as "Quiip" that deal with the online and social media advertising of Australian companies (Quiip, 2016).

- Competitors: Tourism sector is a constantly growing industry and so is the accommodation one. Although honeymoon specialized organizations are not quite expanded through the country, the few that can be found have an incredibly good business management and are extremely well situated with amazing views. This fact sets the bar high and can turn to be a hard to traverse barrier for a lot of companies trying to join that kind of business. Some of the areas where these hotels and resorts are situated are Melbourne, Brisbane, Tasmania, Sydney, Byron Bay, Adelaide, among others (Beautiful Accommodation, 2016).

Source: Beautiful Accommodation (2016)

MACRO – ENVIRONMENT (PESTEL):

- Political: Australia is a federal constitutional monarchy that uses a parliamentary system of democracy. It is formed by six states and two major mainland territories with their own parliament. The federal government is separated into three branches – the legislature, executive and judiciary. Australia has a population of 22 million people mostly concentrated in the mainland state capitals. It is a safe place for investment and creating new businesses as it is very open, progressive and stable. It has an efficient legal framework with low corruption levels (Australian Government, 2016a).

- Economical: Australia is the world's thirteenth largest economy dominated by the service sector and depending on mining and agriculture for its economic growth. Currency exchange rates are favorable in Australia which makes property investment an attractive option for investors. The cost of living in the large cities such as Melbourne, Sydney, Brisbane is less than some of the world's most expensive cities, but they are still among the best cities in terms of quality of life.

According to Statistics (2016b), Australia has a low degree of risk and a strong GDP growth (3% annual growth), low levels of unemployment rate (5.8%), low rate of inflation, and stable interest rates (around 2%). The average weekly income of the employees varies between 1,100$ and 1,500$.

- Social: There are three social classes (working, middle and upper class). The society is relatively young. There's no official religion. There has been an increase in the level of education as nowadays Australians are more highly educated than ever before. The government funds most universities and institutions and students contribute in a kind of fees and tax payments. English language is spoken by 81% of the population. Around 58% of Australians have vocational qualifications. Australian cuisine is strongly influenced by seafood as there we can find the third largest fishing zone in the world. Some of the national drinks include Victoria Bitter beer, Foster's Lager and Penfolds Grange wine. The most popular sports in Australia are surfing, rugby, cricket and swimming (Sanku Kar, 2016).

Source: Google Images

- Technological: The Australian government funds two organizational supports for research and development in all fields of physical and biological sciences and military research. Regarding households with internet, according to Statistics (2016a) in the period of 2014-15 the number reached 7.7 million homes, which accounts for the 86% of all. There were 12.8 million internet subscribers in 2015.

- Environmental: The big biological diversity of the country makes that a lot of plants, animals and ecosystems can only be found there. A big issue to be concerned is the climate change. It can impact on many industries such as farming, insurance and tourism. Fighting with the global warming has been reflected in for example the increase of air travel taxes, the sales of hybrid cars, the declared of endangered species of whales, turtles, the scarcity of quality water and the erosion inland damage, and so on.

- Legal: It is essential for any business to understand the Australian regulatory obligations for fair competition, protection and integrity in the market. In the companies' world, some of the lately introduced legislations are about age and disability discrimination, an increase in the minimum wage, more recycle requirements, among others. In general, the procedure of opening up a business is pretty simple and easy to achieve (Sadye, 2016).

3.3. SWOT ANALYSIS

Strengths
- Resource availability
- Skill levels
- Safety
- Collaboration with HIW
- Tourism sector

Weaknesses
- Possible gaps in knowledge and expertise
- Budget and funding
- Hard to gain reputation
- Processes and systems

Opportunities
- Sun and beach
- Exploring culture
- Eco, Cruise and Drive tourism
- Infrastructure
- Economy

Threats
- Climate change
- Ocean acidification
- Engangered species
- Competitors of the same area or not

❖ **Strengths:** Capabilities, resources and positive situational factors that could benefit the project:

o <u>Resource availability</u>: Ecoral hotel will count on suppliers specialized in providing high quality and luxurious products based on eco-friendly resources. For example, the Australian supplier "International Interior Images" that provides luxury hotels with premium quality guest amenities inspired by Australian products using ecological and biodegradable resources; or national suppliers of local food and beverage, such as "Fonterra" company, in order to be able to offer the authentic taste of fresh Australian food and wine.

o <u>Skill levels</u>: the hotel will count with well-formed and friendly staff that will ensure the unforgettable experiences of our guests in Ecoral hotel.

o <u>Safety</u>: Australia in general is a very safe place to stay in and spend your holidays. Hamilton Island has safety officers that work to ensure the protection of all property, personnel, guests and residents on the island.

o <u>Collaboration with Hamilton Island Weddings</u>: our team will work in collaboration with HIW because we think that the nature of the services both companies offer collide well and could take advantage of this fact in terms of recommending each other to their and our clients and providing attractive wedding + honeymoon packages.

Source: hamiltonislandweddings.com

- Tourism sector: The tourism industry is constantly growing, more and more people travel every year around the world. According to UNWTO (2011), it is expected international tourist arrivals to hit 1,8 billion by 2030.

- ❖ **Weaknesses:** The following are some limitations and negative situational factors that Ecoral hotel might face:

- Gaps in knowledge and expertise: As we are new in the honeymoon business, there could be some organizational practices that we would lack knowledge of.

- Budget and funding: There's also a possibility our project not to be completely financed which would mean having to make changes in the business plan.

- Reputation: Being a new independent project, it's hard to get known fast by your target market and build a good reputation. Nowadays a lot of people seek opinions of other people for a determined hotel before booking it, and if they don't find any they just skip to another one.

Source: whitefoxmarketing.com

- Processes and systems: there might be some area of expertise lacking in the business, the staff might be insufficient to cover the service needs, or suppliers could deliver different stock than wanted. This could become an opportunity as well.

❖ **Opportunities**: These are some of the favorable external factors that we could exploit in our advantage:

o <u>Sun, Beach and Sport:</u> In general, the beaches in Queensland are ranked among the best in the world. From exciting large perfect for surf beaches to relaxing calm water seafronts cover along the 7,400km coastline. Due to the good weather, the sun shines all year round and the water temperature is comfortable (Queensland beaches, 2014).

o <u>Exploring culture</u>: One of the oldest living societies on the planet is the Aboriginal culture which history and traditions can be experienced in many different ways, such as preparing bush tucker or throwing a boomerang. Other important traditions are the rock art paintings left by generations of millions of years ago, the big amount of fishing spots, and the indigenous spa   treatments.   (Queensland   Government,   2016)

o <u>Ecotourism, Cruise tourism and Drive tourism</u>: These three types of tourism that are found in Queensland can be an opportunity for Ecoral Hotel to attract more people concerned about the environment and who also like to travel both on land and see.

o <u>Infrastructure:</u> A key opportunity for our hotel would be the existence of a commercial airport on Hamilton Island with direct flights from Brisbane, Sydney, Melbourne and Cairns. On-island facilities include transfers for passengers from the airport to the hotel where they are accommodated.

Source: pinterest.com

o <u>Economy:</u> Australia's well performance during the economic crisis and its investment interest from overseas represents an important opportunity for the zone we are located in.

❖ **Threats:** These are some of the unfavorable external factors that could affect our business present challenges to performance of our business:

o <u>Climate change:</u> According to (Australian Government, 2016b), one of the greatest natural wonders of the World, the Great Barrier Reef, is under threat because coral reefs are highly vulnerable to rising sea temperatures and ocean acidification, which makes them grow slower and lose hard corals, a fact that endangers the habitat of many other reef creatures and species.

As a matter of fact, right now there is a campaign called "Fight for the Reef" which aims at saving the Great Barrier Reef from its rapid industrialization, and which we are going to support.

There are three main risks that this campaign fights against: the industrial port expansion, the global warming and the fertilizer run-off polluting the reef (fightforthereef.org.au, 2016).

Source: thegreatbarrierreefinfo.weebly.com & fightforthereef.org.au

o <u>Endangered species</u>: As a sign of support, our hotel will work and collaborate with the WWF (World Wildlife Fund) of Australia in order to fight together against the extinction of those species, and will monthly donate a certain amount of money to this cause.

There are mainly 4 endangered species in the area of Queensland, Australia:

Dugong (sea cow)   *Large Green Sea Turtle*

Blue whales   *Endearing snubfin dolphins*

Source: Google Images

o <u>Competitors of the same area or not</u>: According to Hamilton Island Enterprises (2016a), Hamilton Island has five resorts ranging from three-star to five-plus-star offering accommodation for up to 3,500 guests. Although none of them is specialized in the organization of high quality honeymoon experiences, which is our main advantage, they can indeed compete with us in terms of similarity of the services we offer.

3.4. MARKETING STRATEGY

- **Segmentation and Targeting:**

In this part, we are going to analyze the segments that we would like to pursue based on the nature of my business.

First of all, we will characterize the segments geographically. According to Tourism Australia (2015a), the countries from which most international tourists arrived in 2015 are
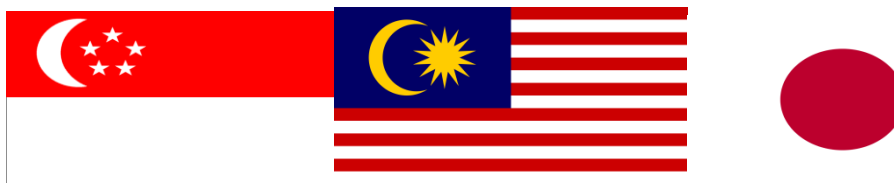
New Zealand	China	United Kingdom	USA

Singapore	Malaysia	Japan.

Source: Images of flags taken from Google Images

These countries would be our potential geographical points to focus on too, as they are already generally speaking familiar with the country and would be easier to persuade to come celebrate their honeymoon in my hotel.

The next type of segmentation would be the demographic one. Due to the nature of the hotel, the preferable age of our potential clients would be between 25 – 40 year olds, because that is the usual period of time when a couple gets married, and therefore celebrates their honeymoon. No children will be allowed in order to guarantee the peaceful and romantic experience of our guests. Another important variable here would be the income that our guests receive.

According to Tourism Australia (2015a), the people that have spent the most in Australia for the year 2015 were from the USA ($3.1bn), UK ($3.5bn) and China ($2.7bn). As our product and service will be of high quality and will be committed to the environment, it will have an important price and won't be accessible for everyone, so our team will have to focus on how to attract people from these countries.

Regarding the purpose of travel, it would clearly have to be Holidays, as this is what the Ecoral hotel will be specialized in providing. Also, according to Tourism Australia (2015b), "Holidays" is the main purpose why visitors go to Australia, accounting for over 3.4 million visitors for the year 2015, and this number is growing at an incredible level, with an yearly change of 9.9% compared to 2014.

As for the behavioral segmentation, the focus would be on people who choose to use online channels to inform themselves about the product or service they are willing to purchase, as our hotel's information and reservation system will only be distributed in online channels. Also, the occasions they are searching for should be related to holidays, relax and honeymoon experiences. The benefit sought should also be present, as we are searching for people who highly value the quality of the services and the benefits they get from them.

And last but not least, the psychographic segmentation is of great importance as well. The potential clients we would like to attract should be people with a managerial, administrative or professional social background and also with an exploring lifestyle and adventurous personality.

We think that the best decision would be to focus on the geodemographic segment, because due to the innovation in on-line technology in the last few years, now it's easier to reach the target market you need as for their *age, income or localization*.

- **Differentiation:**

It's not easy to make our target market choose me back, so we have to find ways to differentiate ourselves from our competitors. The key to achieve this is to generate the greatest possible value to our customers and to make it last as long as possible. How? First of all, we would have to create surveys in order to understand what is important for our target market on a honeymoon break and what opportunities we have to help their needs become satisfied. Of course, the value customers receive also has costs for them, as for example the price they pay for the service we offer, or the time they have to devote to use this service. Therefore, we have to be sure that the benefits of our service are greater than the costs assumed by our customers. As an extra, we are going to offer a loyalty program for our customers with special discounts and personalized further services based on data in our CRM program for their next holidays with us.

- **Positioning:**

The aim of the marketing strategy is to make a brand occupy a distinct and better position, compared to the competing brands, in the mind of the customer. Since Ecoral Hotel is still a project and does not exist, we can't determine how our brand is currently positioning in the mind of the consumer, so we created a positioning map in order to illustrate how Ecoral Hotel would be positioned compared to his main competitors on the island, based on two basic variables:

Figure 2: Positioning map of the hotels and resorts located on Hamilton Island

Although the Qualia resort (www.qualia.com, 2016) counts on its distinctive style, world-class standards and luxurious services that have an excellent perception by their customers, we think that Ecoral Hotel would position right next to it, providing similar or superior level of quality service to our clients at a lower and fairer price. According to Tripadvisor (2016), the best hotel choice on the island right now is the Beach Club, highlighting the staff work, the relaxing experience and the exclusivity for couples. So, we think that in these terms, and also because of the similar price we have with them, we can beat them and reach the top position within an year. Palm Bungalows, Holiday Homes and The Reef View Hotel have a lower service quality and almost double the price less, and therefore are positioned on the left part of the map according to the variety of their price per night and quality level.

- **Value proposition**

One of the most important parts of the plan is the value proposition, or otherwise said, answer to the question "Why should our guests pick us and why we are their best choice?" Therefore, our value proposition would be the following: Ecoral Hotel is the perfect place for newlyweds that want to share their love with one of the seven natural wonders of the World and help it last forever.

Our service is about providing next level accommodation and entertainment, making people feel better than at home, exceeding their expectations, and transforming their stay with us into their most unforgettable lifetime experience.

In Ecoral Hotel, we have chosen to communicate this value proposition to our target market through an IMC – Integrated Marketing Communication. This means that in order to transmit a clear and coherent message about the organization and its brand, we will make use of the following tools:
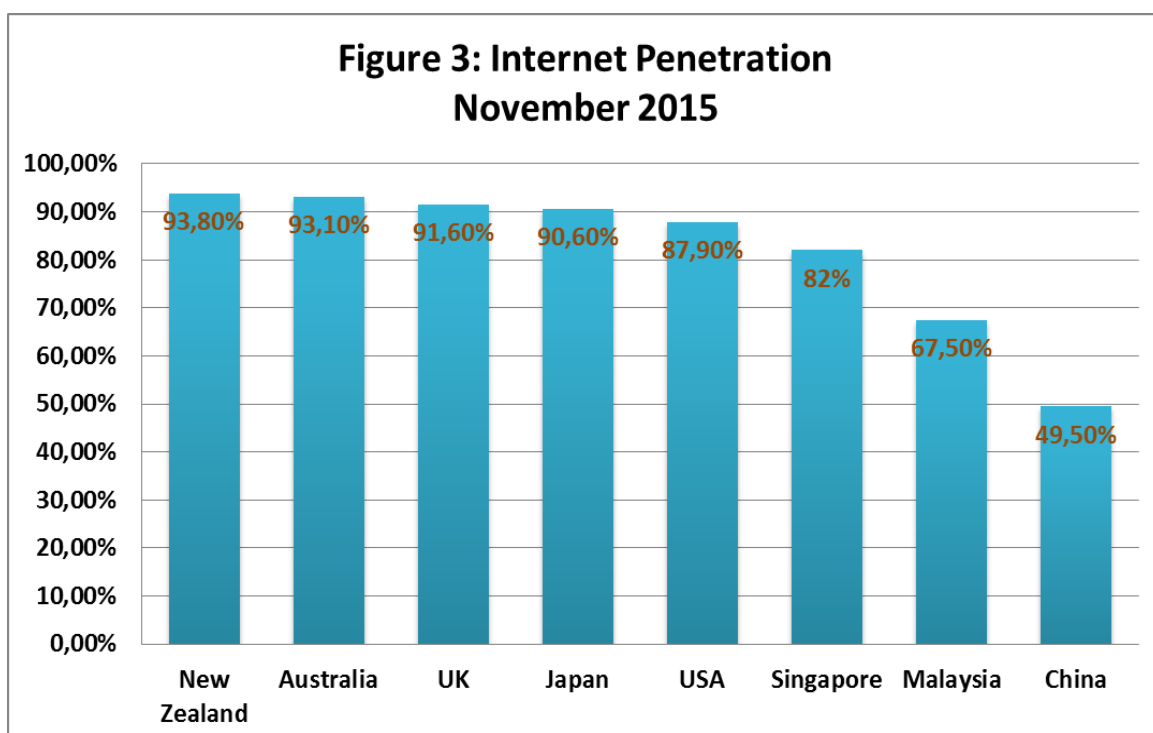
In the following section, you will be able to see how they are going to be used and how the results are going to be measured.

4. DIGITAL MARKETING PLAN

As Business Dictionary (2016) shortly and clearly defines it, Digital Marketing is "the promotion of products or brands via one or more forms of electronic media".

As explained in the segmentation process for Ecoral Hotel, the geographical focus will be to pursue and have an impact on people mainly from the countries illustrated on the following graph, where you can observe the percentage of population in each of them that uses internet.

Figure 3: Internet Penetration November 2015

Source: own elaboration with data from Internet World Stats (2015)

In general, our target market is strongly involved in the online world and a digital marketing plan in 21th century is something compulsory to do especially for tourist organizations that aim to attract foreign markets.
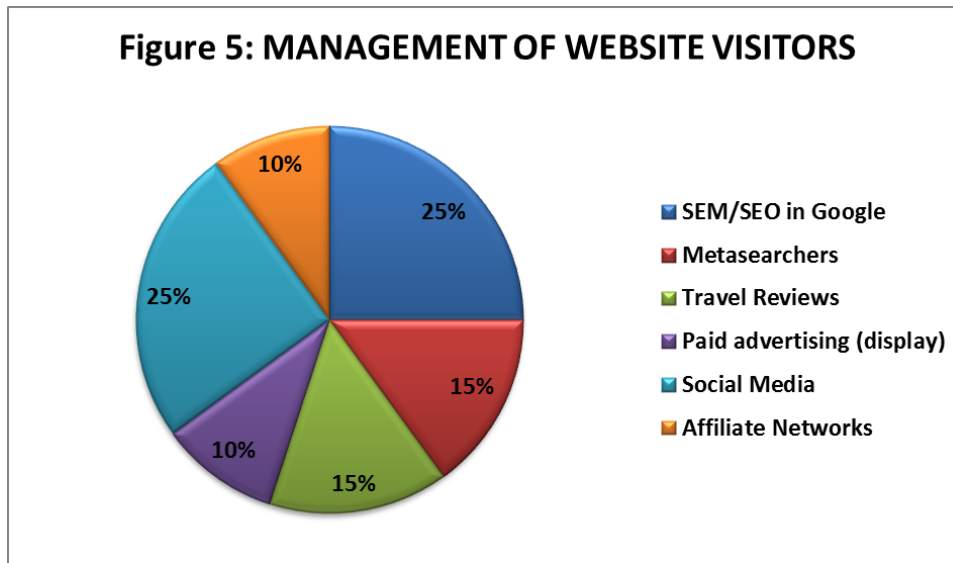
4.1. DIGITAL GOALS

Defining the organizational digital goals is the key for the acting decisions to succeed. Those goals should follow the SMART figure, which is to say they should be Specific, Measurable, Achievable, Realistic and Time framed.

Digital goals can be specified in two main parts: Performance and Branding.

- **PERFORMANCE**: goals oriented to obtaining results derived from clicks, leads, sales, downloads, engagement, etc.

  o Achieve at least **90% occupation** per month. If we bear in mind that we have 100 bungalows and the average stay of honeymoon couples lasts two weeks, 90% occupation would mean to have 180 couples per month accommodated in Ecoral Hotel.

  o Close **9M$ Net Income** this year. If the average price per bungalow per night is of 700$, this means that with an occupation of 90% the income will be of 1.89M$/month. This makes 22.68M$ per year just from accommodation reservations. Usually 60% of hotel income is reinverted in fixed and variable costs, which means that the real revenue at the end of the year would be about 9M$. Graphic illustration:

Figure 4	
REVENUES	**$1.890.000**
Total income	$1.890.000
OPERATING EXPENSES	**$1.134.000**
Advertising	$378.000
Insurance Expenses	$24.000
Interest Expenses	$151.200
Legal&Accounting fees	$5.000
Taxes	$378.000
Salaries	$160.000
Supplies	$30.000
Telephone, Internet	$5.000
Utilities	$2.800
Total operating expesnes	$1.134.000
NET MONTHLY INCOME	**$756.000**
NET ANNUAL INCOME	**$9.072.000**

o Appear in:
- The main metaserachers: Skyscanner, Kayak, Trivago, Tripadvisor and Google Hotel Finder.
- OTAs: Booking, Expedia, Hotels.com, Priceline and Travelocity

o Get traffic to the official **website: 500,000 annual visits** from the following sources of online advertising with their respective percentage.

Figure 5: MANAGEMENT OF WEBSITE VISITORS

o Create social media channels in Facebook, Instagram, Twitter and Youtube and get people to subscribe. In the period of an year, obtain a high engagement rate and at least:
- **10,000 followers** on the **Facebook fan page** of Ecoral Hotel
- **30,000 followers** on **Instagram**
- **20,000 retweets** on **Twitter**

o **Advertising campaigns:** dedicate **20%** of the expected monthly revenues ($1.890.000 x 0,2 = $378.000) to:

FIGURE 6	
Display Marketing campaigns in the internet (banners) – 5%	$94.500
Browser advertising campaigns (SEM) – 7%	$132.300
Browser positioning (SEO) – 3%	$56.700
Social media channels advertising – 3%	$56.700
E-mail marketing – 2%	$37.800
TOTAL ADVERTISING BUDGET	$378.000

- **BRANDING**: goals that aim at getting the users to know the brand, to recognize and perceive it the way we intend, to make them buy its products and services, and create a positive online reputation about it.

  o The brand to become well known and a reference in the honeymoon hotels industry.

  o Obtain a positive feedback by carrying out the Delphi method with a group of experts in the branding of the accommodation sector.

  o Launch a branding display campaign in the targeted countries and obtain at least:
    ▪ 30% of exposed people that reach the branding message
    ▪ Of them, at least 10% of impacted people within my target audience
    ▪ And of them, at least 2% to remember my campaign message

  o Promotions:
    ▪ Offer a free extra accommodation night for the first 50 couples that book with us at least a 10 days honeymoon package.
    ▪ Offer a free dinner on the beach for couples answering a short satisfactory survey on their third night with us.

  o Publish press releases of incoming events, openings, raffles in online magazines regarding weddings and honeymoons.

  o Have an impact on local e-newspapers creating a positive image of our company.

  o Reputation Management of the brand in social media:
    ▪ Analyze comments about the brand and answer to questions or complaints of customers
    ▪ Obtain between 4 and 5 stars on Facebook based on at least 100 reviews.
    ▪ Get 500,000 likes on Facebook and Instagram publications

o Usability of the website:

- Modern UCD (User-centered design) with an easy reservation system that doesn't last more than 5 minutes.

- Adaptable for a mobile version

- High navigation speed

- Obtain at least 95% of users who start to completely make a reservation

- Measure the satisfaction with the process of completing the task

4.2. MARKETING MIX

- **Product**

In the case of Ecoral Hotel, we would be speaking of a service. This service consists of offering accommodation to honeymoon couples with exceptional packages personalized by our experts. Moreover, the hotel is committed to preserving the environment and to the sustainable growth, a fact that would make clients even more satisfied because the perceived value for money would be higher.

The venue consisting of 100 ecologically built bungalows will welcome its clients all year long thanks to the favorable temperatures. The hotel's augmented product will consist of an assigned team per couple that would work in order to achieve the best experience of the clients. After making a reservation, the couple will have to answer a short questionnaire regarding their personality which will help our team surprise them when they arrive. For example, there could be a different atmosphere of the suite (e.g. aroma of the room) or different details (e.g. welcoming champagne bottle/ names of the clients embroidered on the pillows, etc.).

- **Place**

The main distribution channels for our hotel will be Online Travel Agencies and our own official website. Nowadays the OTAs have become the most important reservation channel because they offer clients the possibility to compare different options (hotels) and choose according to their needs, budget and availability. It's time saving, they can make the reservation and pay from home with credit card or PayPal, and what's even more important – they can read other clients' opinions about their stay in the hotel on the OTA page. Nowadays, the online reputation a venue has could be a determining factor whether the client chooses to stay in your hotel or not.

However, in order to attract more reservations to come through the official website and therefore avoid the high OTA commissions, a special focus will be put on the official website channel. We know that prices in both channels should be the same, but to gain more reservations through the website we could offer a free gift at the check in, or discount on a dinner menu in the restaurant of the hotel, etc. that are not offered while reserving in the OTA.

- **Price**

The price is going to be one of our main differentiations from our competitors. It is going to be based on the value perceived by our customers, but overall, it is going to be fair.

After making a research on the competitors' prices, analyzing their facilities and characteristics, and estimating our ARR, we've come to the conclusion that a fair average price for Ecoral Hotel would be 700$ per day and per couple ($1.890.000/(30x90)). The quality of the service provided won't be any lower than the one offered in Qualia resort where the price is excessively expensive. However, it would be more expensive than accommodations such as Holiday Homes, because beside all other facilities, we offer the exclusivity of adults only and we donate a part of the money to programs associated with fighting the climate change and preserving the environment.

During the first year of existence, quality and satisfactory surveys will be made in order to see how customers value our services and whether changes in the price should be done or not.

- **Promotion**

The main advertising channel for Ecoral Hotel will be Internet. The hotel will do mainly online advertising display campaigns in articles or bloggers' websites about honeymoon destinations; ads in social media channel such as Facebook, Instagram and Twitter; and SEM campaigns with adwords by google. On this last type will be spent a slightly higher percentage of the marketing budget in the months of January and February, as according to Google Trends, (2016), this is the time of the year with most searches of keywords such as "best honeymoon destinations", "honeymoon hotel", "honeymoon Australia" and so on.

4.3. KEY PERFORMANCE INDICATORS

Regarding the definition of KPIs, as Reh (2015) states in his article for About Money, they are Key Performance Indicators that help an organization define and measure progress toward organizational goals.

Therefore, the KPIs that Ecoral Hotel is going to use in order to determine its success at reaching targets are going to be the following:

➢ **Google Analytics**: the most important tool for companies which is for free and gives the possibility to calculate different metrics:

o _Audience_: it shows us the amount of visitors that lands in our website, the number of unique visitors and the comparison between new and returning visitors. They are user's satisfying indicators.

o _Traffic sources_: lets us see where our visitors come from, whether it's an organic search (browsers), paid search (google adwords), social search (Facebook, Twitter, Instagram), referral (via direct link on other website) or direct (typed the URL directly)

o _Page tracking_: it includes visit's quality indicators such as the Bounce Rate (% of visitors that leave the site from the homepage) and the average session duration of visitors on our website.

o _Conversion tracking_: it's the **primary** metric that calculates what percentage of the actual visits to the website is converted into reservations and what channels do these visits come from.

o _Cost per conversion_: this metric lets us calculate whether we are paying more for a customer than he/she is worth. By calculating the cost per conversion, we can see if there's profit for us and compare it to actual revenues per conversion, we can estimate the true return on investment.

o _Funnel drop off rate_: it measures the number of visitors that left a conversion process prior to completion.

- **Social media channels:**

o _Reach:_ See whether the social community we are reaching is the same as the target audience we are aiming at, by tracking the fans and followers to our fan Facebook page or twitter account and analyse their demographics (location, age, gender, interests,…) Tools such as Facebook Insights, TweetReach and Hootsuite can help us determining it.

o _Engagement rate:_ it's one of the most important KPI, as it shows the company how many of the followers it has on its social media channels actually interact or regularly engage with the company's content (likes, comments, shares its publications). However, nowadays what matters even more is how many people actually shared, retweeted, reposted or clicked on the content the company shared. One simple formula to calculate the engagement rate is: (Interactions / (Fans or followers)) x 100.

o _Sales from social referrers:_ calculate the percentage of sales deriving from social media campaign links.

o _Satisfied clients in chat sessions:_ Many people prefer the online service and support of companies. According to a satisfactory survey after the chat has been finished, calculate a percentage of satisfied clients over all initiated chat sessions.

> **Digital Branding metrics:**

o *Brand reputation on review websites and social media channels:* analyse the percentage of positive over negative clients' comments on sites such as Tripadvisor, Facebook, Instagram, retweets on twitter, etc.

o *Surveys about brand equity*: make quality surveys for customers asking them questions about the brand or the company's different services (like staff performance, safety, clean room, dinner, excursions' experience, prices, etc) from 1 to 5 where 1 is Strongly Disagree and 5 is Strongly Agree. Analyse what services were ranked highly and try to improve the ones ranked lowly.

o *Web traffic ranking:* use the tool called SEMrush to analyse the amount of web searches of the brand name, the traffic to our website from SEO, SEM, SMM and PPC brand campaigns, and see how we close to the top of the results do Ecoral Hotel land.

> **E-mail marketing:**

o *Click rate:* measures the percentage of recipients who open an e-mail we send and click on a link in the content of the mail, without mattering if they bought something. Calculate as: (Click/Opens) x 100.

o *Conversion rate:* this calculates all the above, bearing in mind the people who complete a desired action (reservation). These are the recipients with e highest quality interaction.

o *Unsubscribe rate:* should be less than 1% for properly managed email marketing. Formula: (Unsubscribes/Sent messages-Undelivered messages) x 100.

4.4. EXAMPLE OF AN EVALUATION OF THE ADVERTISING CAMPAIGNS

FIGURE 7	CPM	CPC	CPL	CPA
BUDGET	$10,00	$5,00	$125,00	$2.088,40
$378.000,00		CTR	LTR	CONV. RATE
IMPRESIONES		0,20%	4%	6%
37.800.000		75.600	3.024	181
		clicks	leads	reservations

As you can observe in this graph, the inversion was calculated on the supposition that we achieve 90% monthly occupation, which would mean that 90 bungalows would be constantly booked. Therefore *(90 bungalows) x (700$/night) x (30 days/month) = 1.890.000$* monthly revenue from stays. If we decide to dedicate *20%* of this revenue to Marketing campaigns, the final investment result is of *378.000$* at month.

The average stay of a couple with honeymoon purposes is of 2 weeks, which means that we would need an average of 180 reservations a month. In order to achieve that with the given advertising budget, we will suppose a Cost per Mille (or per thousand) of 10$ for 37.800.000 impressions.

In the case the Click through rate we obtain is of 0,2%, this means that the number of clicks on our banners over all the impressions was of 75.600 and the Cost per Click is of 5$. Furthermore, if from the people that clicked on the banner, we obtain 4% of Lead Through Rate, this means that 3.024 people registered on our website in order to receive information about new honeymoon packages, discounts, etc. and the Cost per Lead would be of 125$. Finally, we would need a *Conversion Rate of 6%*, in order to achieve 181 reservations from the people that registered on our website. In this case, the Cost per Acquisition is of 2.088$ per reservation. It might sound like a lot but if we bear in mind the average stay per couple and the daily price per bungalow, normally one reservation would cost about 10.000$ ((700$/day) x (14 days stay) = 9.800$), so we still gain profit from it.

5. CONCLUSION

Although running a new business today is more complicated than in the past, and succeeding in such a competitive world is a real miracle, we think this project would be viable, because nowadays Internet can make every idea come true easier than ever before, especially when it's well prepared and an ambitious team stands behind it.

During the time that we worked on this project, we have been searching for useful, truthful and updated information on Internet to help us analyze better the market circumstances and the environment we were focusing on. Moreover, we have also applied some of the material learned in class of subjects such as Marketing, Financial Management and Tourist Mediation.

It was indeed a hard work that required a lot of hours, days and weeks of dedication. It had its own limitations as well: being a whole new project makes it difficult to for example find the right place, analyze the competitors as they don't reveal all the information you need, calculate estimated budget, revenues and costs, know whether we are addressing the right target market, and analyze the internal strengths and weaknesses before the project even exists, among other difficulties.

However, despite the obstacles we found on our way, we think the result and final version is good and interesting to read, as it doesn't only talk about the project itself and its digital promotion, but it also bears in mind the nature surrounding it, its history, and its protected wildlife, in which the hotel is involved.

To sum up, we'd like to say that this Final Degree Project made us acquire essential skills such as becoming even more self-sufficient, patient, motivated, and research and development oriented. Having done previously a course in Digital Marketing helped us a lot in thinking about the specific objectives and the ways they could be measured.

Last but not least, we hope you have enjoyed reading our work, see its potential the way we do, and appreciate it as our final step towards graduation.

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All the illustrative photos and logos of companies have been taken from Google Images and its respective sources.

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