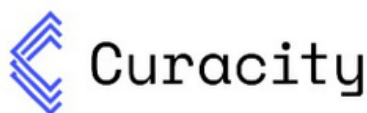


Curacity x HSMAI White Paper

From Last-Click to First Look: A Commercial Strategy Makeover Story for Upper Funnel Marketing



EXECUTIVE SUMMARY

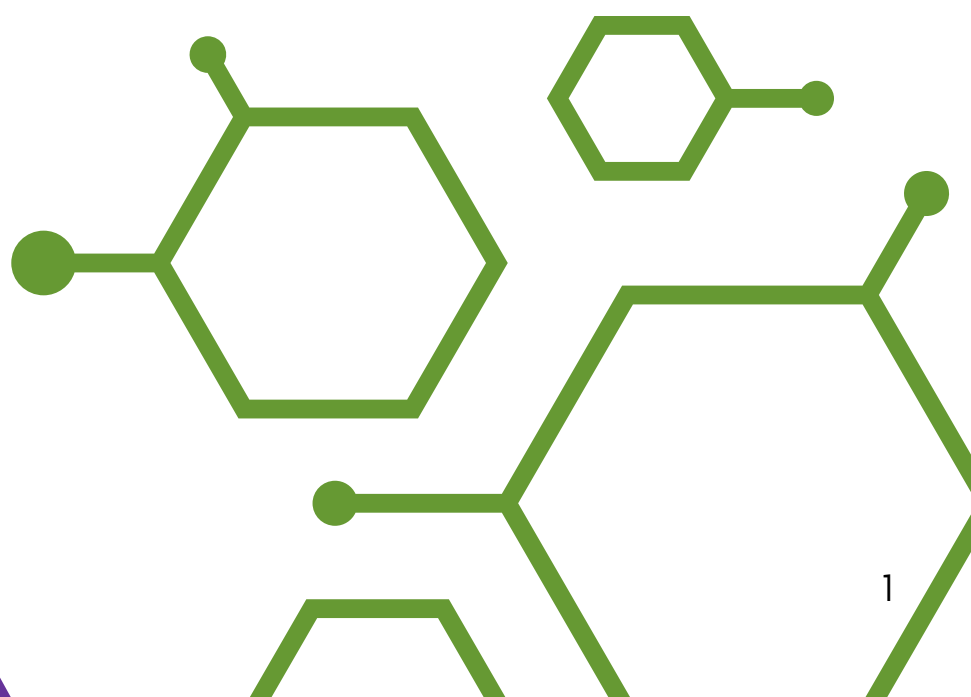
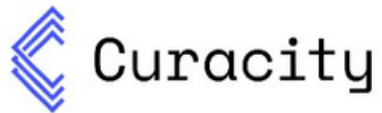
After decades of honing in on last-click attribution, many in the hospitality industry are starting to recognize the importance of upper-funnel marketing, focusing on brand awareness as essential for long-term growth.

Research indicates a shift in perspective. A Nielsen report highlighted that nearly two-thirds of global marketers see full-funnel ROI measurement as crucial, yet only about 54% feel confident in their ability to measure it effectively ([Nielsen](#)).

The same Nielsen study emphasizes that brands see a 1% increase in sales for every 1-point gain in brand metrics like awareness. Additional Google research found that combining upper and lower-funnel strategies can lead to a 52% increase in incremental sales compared to focusing solely on mid-funnel tactics ([Think with Google](#)).

The financial advantage of incorporating upper-funnel marketing into a comprehensive strategy is clear. Yet, with only about half of marketers confident in their ability to prove its effectiveness, there's a significant gap and opportunity for improvement in this area.

This white paper explores how a pivotal shift from siloed marketing and revenue departments to an integrated commercial strategy team is needed to enhance awareness and long-term profitability. Through insightful interviews with HSMIAI members and compelling case studies, we'll explore the value of engaging customers from the moment they start dreaming of travel - and ways for the commercial strategy team to turn their efforts into incremental bookings and revenue.



MESSAGE FROM HSMAI CEO BOB GILBERT

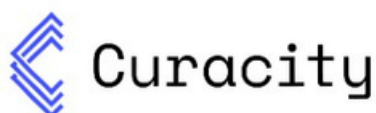
Staying at the forefront of technology is crucial for success in the hospitality industry. As we prepare for the upcoming Commercial Strategy Conference in Charlotte, co-located with HITEC, the importance of a unified commercial strategy as well as adopting new technology has never been more evident. This event will provide a platform for industry leaders to explore the latest technological advancements and discuss how to integrate them into a cohesive strategy that spans marketing, sales, revenue management, and distribution. HSMAI is committed to supporting our members in navigating technological advancements. Leveraging innovative tools and data-driven strategies, such as those offered by Curacity, enables hoteliers to enhance guest acquisition and optimize marketing efforts. Let us continue to push the boundaries of what is possible, using technology to drive growth and excellence in hospitality.

ABOUT CURACITY

Curacity is a guest acquisition platform that drives demand and builds brands. Curacity has worked with the biggest names in hospitality, from hotels to resorts and cruises, to distribute content across its media brand network, including AFAR, Condé Nast Traveler, Travel + Leisure, and many more. The company's proprietary attribution technology reports on how earned media content catalyzes bookings, generating an average of \$1MM+ in incremental revenue annually per customer. Headquartered in New York and Stamford, CT, with offices in Buenos Aires, Curacity launched in 2015 and has been listed among the top 10 in travel and hospitality on the Inc. 5000 list and is the Digiday's 2024 Best Content Marketing Platform.

ABOUT HSMAI

HSMAI is a global organization of sales, marketing, and revenue management professionals representing all segments of the hospitality industry. With a strong focus on education, HSMAI has become the industry champion in identifying and communicating trends in the hospitality industry while operating as a leading voice for both hospitality and sales, marketing, and revenue management disciplines, as well as connecting its members with customers. Founded in the United States in 1927, HSMAI is an individual membership organization comprised of nearly 5,000 members from 35 countries and chapters worldwide.



INTRODUCTION

In hospitality, understanding the marketing funnel and the travel customer journey is essential for driving successful commercial strategies. In this paper we examine the role that upper-funnel brand marketing plays in facilitating shared revenue goals, collaboration, data-driven decision making across the commercial strategy team (sales, marketing, and revenue optimization) and in maintaining a competitive edge. Through interviews with HSMAI subject matter experts and case studies, we highlight common problems hoteliers face, identify solutions, and provide recommendations for aligning your commercial teams to enhance overall performance and competitiveness.

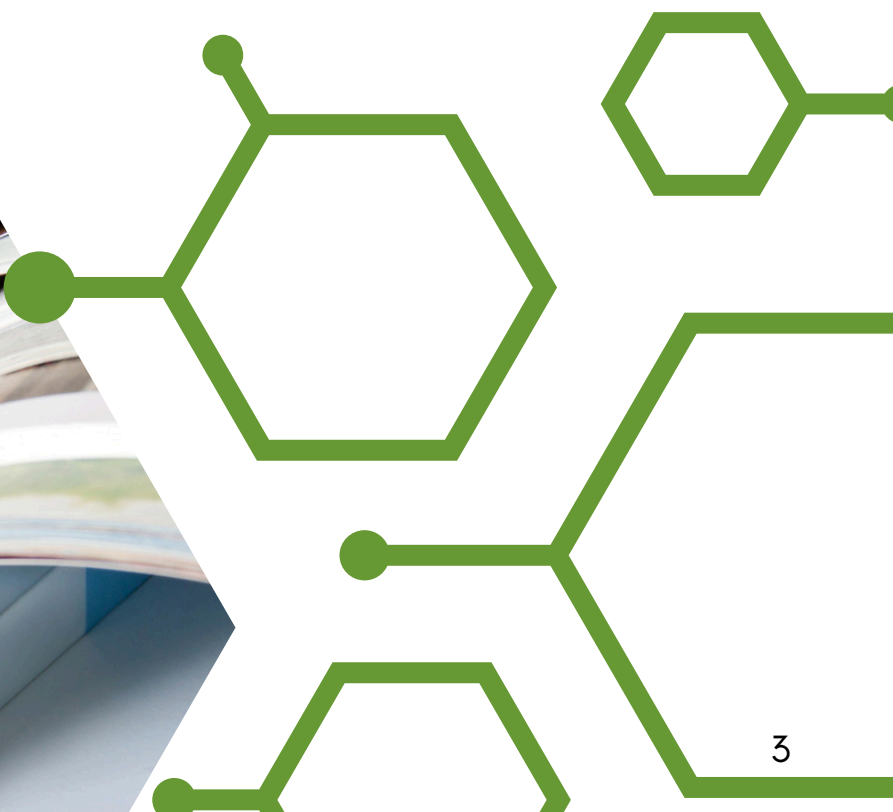
The Customer Journey

The travel customer journey begins with the **awareness** stage, where potential guests are inspired to consider traveling through various channels such as social media, travel blogs, and advertisements. This initial phase is crucial for capturing the interest of millions of potential guests and introducing them to what your hotel has to offer. And the more guests you reach at this stage, the higher the likelihood of converting a meaningful number down the funnel.

Next, in the **consideration** stage, these potential guests transition to planning their trips. Here, they seek detailed information, read reviews, compare options, and develop preferences. This stage is where your hotel's unique selling propositions and differentiators must be clearly communicated to stand out from the competition.

Finally, the **decision** stage culminates in a reservation. At this point, having a seamless, user-friendly booking process and compelling offers can turn potential guests into confirmed reservations.

The importance of the upper-funnel—the awareness and consideration stages—cannot be overstated. By reaching a wider number of people through media and strategic partnerships, such as those facilitated by Curacity, hotels can achieve more incremental bookings than they would have received without these efforts.



PROBLEMS

Lack of Understanding

The hospitality industry has traditionally emphasized immediate revenue generation, often prioritizing bottom-of-funnel tactics to drive bookings. While these strategies can produce immediate results, they have several inherent challenges that undermine long-term success.

One of the most significant financial implications of overemphasizing bottom-of-funnel tactics, such as paid search and online travel agencies (OTAs), is the high acquisition cost associated with these channels. The cost of PPC campaigns and OTA commissions can swiftly erode slim profit margins (and cannibalize existing demand). While hotels may experience a temporary boost in bookings, the cost per acquisition (CPA) remains unsustainably high, directly impacting overall profitability.

As the competition in the hospitality industry intensifies, the cost and effort required to maintain visibility through bottom-of-funnel channels increase. This leads to diminishing returns, where each additional dollar spent on advertising yields progressively lower benefits. Over time, hotels may find themselves trapped in a cycle of escalating costs and decreasing efficacy, which strain marketing budgets and pose a significant challenge to long-term success.


Bottom-of-funnel tactics often emphasize price and availability over attribute-based selling. This focus can make it difficult for hotels to differentiate themselves from competitors, as travelers may perceive the offerings as interchangeable, making it harder to command premium rates and secure guest loyalty.

Overemphasis on Costly Bottom-of-Funnel Tactics

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Misconception of ROI

A prevalent misconception in the hospitality industry is that upper-funnel marketing activities are less measurable and more complicated to tie to revenue compared to lower-funnel tactics. This perception often results in underinvestment in upper-funnel strategies, preventing hotels from nurturing potential guests effectively throughout their decision-making process.

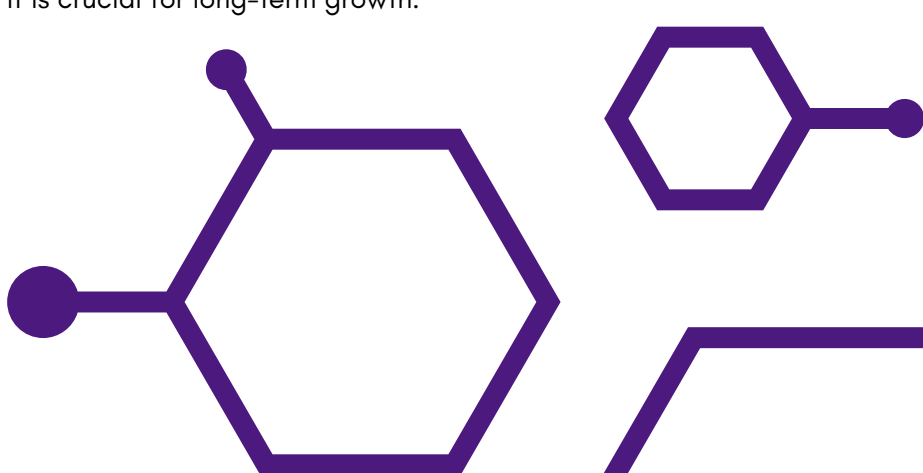
Many hoteliers believe that the impact of upper-funnel marketing—such as brand awareness campaigns, public relations, and content marketing—is difficult to quantify. Unlike lower-funnel tactics where metrics like clicks and conversions provide immediate feedback, upper-funnel activities often require more sophisticated measurement tools to track their influence on long-term customer behavior.

Contrary to popular belief, upper-funnel marketing activities are not just about brand awareness, but they also play a pivotal role in driving long-term revenue growth. By enhancing brand visibility and fostering emotional connections with potential guests early in their travel journey, hotels can significantly influence their decision-making process. This, in turn, leads to new guest acquisition, increased bookings, higher customer retention rates, and stronger brand loyalty, all of which contribute to sustainable revenue growth.

Lack of Resources

Implementing effective upper-funnel marketing strategies requires specialized skills and resources, including content creation, media pitching, and data analysis. Hotels with limited marketing budgets or small teams often struggle to allocate the necessary resources, resulting in missed opportunities to engage potential guests early in their journey.

Hotels with constrained marketing budgets often prioritize activities that promise immediate returns, such as PPC campaigns and OTA partnerships. While these tactics can generate quick wins, they do not build the long-term brand equity needed for sustained success. Allocating funds to upper-funnel activities might seem less urgent, but it is crucial for long-term growth.



Solutions

Data-Driven Approach

Embracing a data-driven approach is more than just a strategy. It's a necessity. It's the key to dispelling the misconception of ROI in upper-funnel marketing and the resource allocation challenges. By harnessing the power of data, unified commercial strategy teams can craft targeted, timely content that truly resonates with potential guests, driving engagement and fostering long-term relationships.

We asked an HSMAI Marketing Advisory Board member how they measure the effectiveness of upper-funnel marketing activities. They responded, "Website visits, lift in sales within two weeks of the mention, and sign-ups to the subscriber list are valuable metrics for measuring upper-funnel marketing effectiveness. Longer-term attribution can be harder to measure but crucial, as it reflects the accumulation of compelling messages to the target audience."

Another HSMAI member shared, "We rarely see direct clicks and bookings on our website [from upper-funnel marketing]. The challenge lies in measuring the halo effect of these placements."

That's precisely where Curacity comes into play. Utilizing secure API connections backed by a SOC 2 Type II certification, Curacity collects data from a hotel's PMS and audience data from more than 40 of the world's best media brands, including AFAR, Condé Nast Traveler, and Travel + Leisure. The platform tells hotels the exact date their guests first engaged with earned media content about their property and matches the subsequent downstream bookings and revenue.

Data is the key to successful upper-funnel marketing. With the proprietary insights provided by Curacity data, revenue leaders can analyze booking windows, lead times, average daily rate (ADR), and length of stay (LOS) to strategically plan availability and package pricing. Simultaneously, marketing leaders can determine the optimal time to promote these packages, driving revenue growth ahead of a need period.

"Our commercial team ensures open and regular collaboration and communication to achieve the best possible results," an HSMAI member said. "With all teams understanding our brand's market position, awareness levels, and guest perception, we can leverage data to make informed decisions that drive room occupancy and deliver room revenue. We all bring something to the table, contributing to the organization's success."

Build Your Hotel Brand

In a saturated hospitality market, brand-building is a marathon, not a sprint. As we know from the rule of five, consistent and frequent messaging is crucial for securing bookings. Content in trusted media brands helps differentiate hotels, drives demand, and leverages third-party endorsements as social proof. These strategies build brand credibility and influence guest perceptions. Brand-building content should focus on attribute-based selling to resonate with potential guests.

Pierfrancesco Coscarelli, a digital marketing consultant for brands including the Lungarno Collection in Italy, shared that in a complete digital marketing strategy, focusing only on lower-funnel activities could result in a significant loss of opportunities, considering that the travel decision often takes place in the early stages and begins with active scouting on social media, press, and online review websites.

Curacity addressed these challenges by allowing the Lungarno Collection, a group of luxury hotels in Rome, Florence, and Milan, to connect with high-end publishers and establish a valuable brand presence. Over the last 12 months, Curacity distributed brand-building content in AFAR, Food & Wine, Travel + Leisure, and many more, generating nearly \$1MM in revenue across the group's three properties.

"This approach not only works in terms of brand awareness and recognition," said Coscarelli, "but it's also useful when you want to engage with users who are already keen to reserve. This increases prospect traffic on the brand.com website, which you can re-engage through traditional remarketing or PPC activity if the first click conversion doesn't occur."

Because Curacity operates on a performance basis, hoteliers can finally emphasize brand-building while only paying for measurable results. This approach provides exposure that would typically be accessible only through costly PR activities.

"Complementing lower-funnel, conversion-only strategies with comprehensive, brand-building upper-funnel activities is a win-win approach, said Coscarelli."

An HSMAI member shared a similar experience, "Brand causal impact studies conducted with our agency show a positive lift when upper-funnel tactics are employed. These tactics positively influence our mid- and lower-funnel efforts, driving conversions and proving their importance in our overall marketing strategy. We've noted a positive increase in availability checks and a reduced time to conversion when customers are exposed to upper-funnel media, compared to our control group."



Drive New Demand

Quantifying the influence of upper-funnel activities is only the first step. For hotels to truly justify and enhance their marketing investments, they must focus on driving new demand.

At any given time, a finite number of people are actively planning a trip to any given destination. Upper-funnel marketing expands reach from in-market travelers to millions of potential guests who still need inspiration to start planning their trip. By extending the top of the marketing funnel, there are more leads to nurture, driving new demand and increasing incremental bookings and revenue.

Mirror Lake Inn, a member of Small Luxury Hotels of the World and a AAA Four-Diamond property that has operated for nearly a century in Lake Placid, New York, discussed their struggle as an independent hotel.

Operations Manager Andrew Weibrecht said, "Our biggest challenge as an unflagged, independent hotel has always been acquiring and converting first-time guests," said Weibrecht. "We have a loyal customer base and a strong referral business, but drawing potential guests away from flagged brands and OTAs is an uphill battle."

To address this challenge, Mirror Lake Inn partnered with Curacity.

"Every business has a finite amount of resources to contribute towards active marketing and branding. Curacity has allowed us to maximize our reach while maintaining a reasonable cost per new acquisition," Weibrecht noted.

In the first 12 months of partnership, Curacity inspired over 700 bookings, with 70% constituting new guests. Looking at a year-over-year comparison, Mirror Lake Inn saw a 17% increase in bookings, and a 10% premium ADR from bookings driven by Curacity.

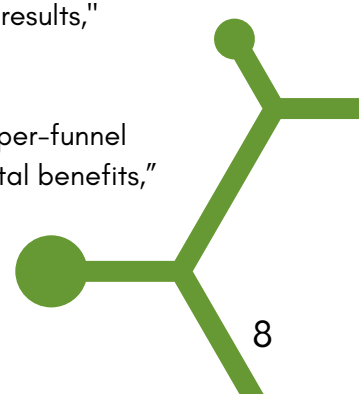
"It's been astonishing how many incremental bookings Curacity has produced. I can say that we've seen a significant increase in non-referred, first-time customers," said Weibrecht.

Curacity's success also prompted strategic changes in Mirror Lake Inn's marketing budget allocation. "We've made the strategic decision to reallocate much of our traditional advertising budget to Curacity due to their efficiency in acquiring new customers," Weibrecht explained.

Curacity has proven to be a transformative partner for Mirror Lake Inn, helping the hotel overcome its biggest challenge of attracting new guests. By leveraging Curacity's content-driven approach and performance-based pricing model, Mirror Lake Inn has not only increased its bookings but also improved its marketing spend.

"I'd describe it as a win-win platform. Unlike many other marketing platforms, you only pay for conversions, not for clicks, impressions, or anything else. These are highly measurable results," Weibrecht concluded.

Once again, an HSMAI member interviewed mentioned a similar sentiment, "When upper-funnel marketing is integrated into a cohesive full-funnel campaign, we have seen incremental benefits," they said.



CONCLUSION

Embracing upper-funnel marketing strategies is vital for hotels to thrive in today's hard to differentiate hotel market. The challenges faced by hoteliers in understanding, overemphasizing bottom-of-funnel tactics, misconceptions of ROI, and lack of resources must be overcome. By embracing data-driven approaches to upper-funnel marketing, leveraging content to build their brand, and adopting new technologies to drive demand, commercial strategy teams can transform upper-funnel marketing to a revenue-driving necessity. The future of upper-funnel marketing is bright, and hotels must prioritize collaboration across commercial functions and explore tech partnerships to stay ahead.

"The marketing and revenue disciplines should be working in lock step and the line between the two should become very blurry when it comes to customer targeting and engagement," shared a HSMIA Commercial Expert. "Marketing leads the messaging and product positioning, and revenue management is key to distributing those messages to the right customer on the right channel at the right time and at the right price. The best sales leaders and marketing leaders are very data driven and the best revenue leaders are the ones who maintain a focus on the customer's needs as much as those of the business."

Curacity offers a valuable solution for hoteliers looking to enhance their upper-funnel marketing efforts. Through strategic partnerships with high-end publishers and performance-based pricing, Curacity helps hotels reach a wider audience, drive incremental bookings, and acquire higher-value guests.

Learn More

Hotel companies should explore tech partnerships that facilitate collaboration across commercial functions, ensuring that upper-funnel marketing efforts are optimized and effectively measured.

"Partnerships continue to play a bigger role in not only upper funnel media but in the totality of the marketing ecosystem. Collaboration with partners extends credibility across known brands and their loyal followers," shared a HSMIA expert on the trends shaping the future of upper funnel marketing.

To see how Curacity can transform your upper-funnel marketing efforts and drive new bookings, [book a demo today](#). Discover how performance-based partnerships and advanced attribution technology can elevate your hotel's marketing strategy and deliver measurable results.

