



Boosting Your Budget with Barter

Jody Merl on how hotels trade unsold rooms for advertising

By Josiah Mackenzie

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Last week, I was introduced to Jody Merl, and her company, Innovative Travel Marketing. I found her business model intriguing – something that could benefit a lot of people right now.

Josiah: Can you explain your barter concept a bit – what does Innovative Travel Marketing do?

Jody: Innovative Travel Marketing uses barter as the financial tool to bring added value to your marketing buy. As a strategic media buying and planning company, we barter with the media and hotels. Whether it's radio, television, outdoor companies, trade magazines or consumer magazines, ITM trades with them, and that's a benefit for the media. It's very hard for one hotel to go to XYZ publication and say "I want free full page ads" because that publication may have no need for that hotel.

Our company acts as a fulfillment house to the media if they want hotel rooms anywhere in the country or printing done for their magazine. They may want help to close the deal. So we provide all the different merchandise, media and travel services to our media clients.

These deals are initiated by ITM reaching out to the hotels because we know where we actually need the inventory. Having done this for so many years, we know that we use millions of dollars of hotel rooms in major markets.

90% of our business is repeat business and word-of-mouth-business where hotels come to us to do a barter deal and have us help them buy media. But on the flip-side we also reach out to new hotels that are opening where we know we need that inventory.

How do you make money arranging these deals?

We're also a media buying company. We do buying for our customers and provide hotel inventory to the corporate barter community. We make money between the cost of our services versus how we trade the hotel credit. We don't charge any fees upfront, it's really on the end of the trade.

How do you establish deal values for both parties?

The hotel value has to be the prevailing rate they're selling rooms for online. It can also be established on an average daily rate.

With media it depends on the different types of media – whether it's air time, what segment of the market, so we negotiate media rates that lets everyone gets a full value.

The media is negotiated and the hotels are getting a great deal because hotel rooms that are utilized are given more value than empty rooms. And the hotel benefits from future business. It's a win/win for everyone.

When I speak to hotel clients, they're thrilled with the business we direct to them because it's not just a room that is given away or discounted so much online. They're getting an end user. On the media side, the media representatives love the clients that we put in the magazines or on the air because they can show the placements to others. It's a great sales tool for them.

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What is the most common form of advertising you deal with?

Consumer print is very common: whether it's national or regional publications. Tactical mediums, radio, spot radio, spot television. Billboards are a great brand medium, buses, taxi tops, anything that gets millions of eyeballs is a great medium. We use all the different mediums.

But for the hotel industry more is in print. If we can help support an online campaign or bring the funds through multimedia, which is the most accessible campaign you can do, then that's what we try to bring to the hotel.

What are the types of hotels that would benefit the most from this?

We work with a lot independent hotels because they need the support and may not have the brand power behind them. From ITM's standpoint we may do more dollars with a large brand but in terms of numbers of customers, we do a lot of work with a lot of independent 4 and 5 star hotels.

Any new property as well: whether it's a brand or an independent hotel.

How does the media use the rooms that they barter for?

From the media side it's not just rooms that they barter for but credit with ITM. So it's not just rooms, it's for travel, merchandise, promotions, anything that helps them save money.

We're not just facilitating a one-to-one trade. The media is trading with my company so they're trading with all the hotels on our inventory. We provide any cost savings of function to the media companies.

If people are interested in this concept for themselves, how do they start with you?

They call one of our team at ITM to share their goals, needs and demographic information.
www.innovativetravelmarketing.com/contact.html

We'll help them plan a marketing media strategy.

Original article: [hwww.hotelmarketingstrategies.com/hotel-barter-company](http://www.hotelmarketingstrategies.com/hotel-barter-company)

About the author This blog is written by Josiah Mackenzie, who enjoys exploring the relationship between emerging technology and the hospitality industry.