



CASE STUDY:

Hotel Chain Books 30% More Rooms Than Expected

THE CHALLENGE

The client is a national leader in the hospitality industry. They were among the first companies to offer extended stay services, a business they have grown into a 300-hotel operation.

Their latest growth plan included very aggressive and ever increasing yearly customer acquisition quotas. Neither the client nor their national advertising agency had the direct marketing resources and expertise needed to develop a campaign with the sophisticated segmentation, targeting, tracking, measurement, and predictive elements needed to ensure that first-year customer acquisition and ongoing improvement goals would be achieved.

THE BOTTOM LINE

The hotel's growth plan called for 45,000 new customers in the first year with increasingly higher expectations in subsequent years. Based on results from a large sweepstakes program conducted the year prior, the client had selected the target audiences for their new direct marketing program. The advertising agency contacted Money Mailer for support.

We surpassed the client's goals by nearly 30%.

OUR APPROACH

Money Mailer analyzed the client's sweepstakes performance metrics and audience selection methodology and found that they lacked sufficient predictive confidence to move forward. Also, the client was only using response measurements to estimate audience potential. Fortunately, response and "bookings" had been well-tracked using business reply cards (BRC), so Money Mailer was able to reprocess the raw results with the right set of metrics rather than going back to square one.

OUR SOLUTION

Money Mailer appended various data elements to the client's sweepstakes response database and their complete 3.5 million record customer database, both of which already contained exceptional transactional and pre-transactional information. Consumer and business customers were segmented and custom predictive modeling procedures were developed to determine which offers, media, creative, timing, frequency, and segment combinations to use for the new program.



Even more impressive is the 1,800% ROI.

THE REAL BOTTOM LINE

Money Mailer determined that many of the client's highly responsive customer segments rarely actually booked rooms. Ultimately Money Mailer selected 43 new target lists and only qualified 17 of the 60 lists the client had originally selected for the new campaign. Had the 43 that were removed been mailed, negative return could have been the outcome. Instead, the campaign was a huge success. Over 58,000 customers were acquired, surpassing the client's goal of 45,000 by nearly 30%.

Even more impressive is the 1,800% (not a typo) ROI the campaign produced because room-bookers were targeted in place of ad-responders. Finally, the campaign was designed to produce and valid results measurements that can be used to get even better results the next time, and the next...