

Case Study: Consumer Data & Insights Drives Upscale Guest Acquisition

Choice Hotels leveraged Experian's ConsumerViewSM to enrich its existing data.

Challenge

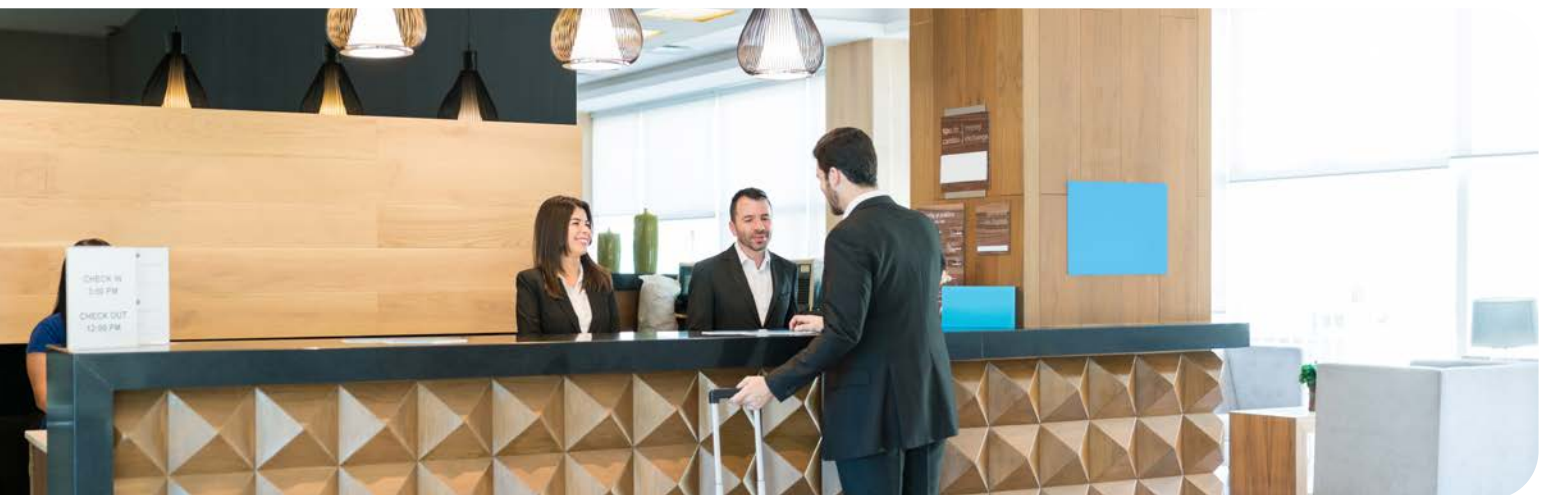
Choice Hotels had a business objective to increase new, upscale guests and looked at various data providers who could provide deep insights into this target audience.

Initially, Choice's Business Intelligence Group focused on behavioral variables to support modeling and inference detection. Major determinants of brand adoption were guests' likelihood to be business travelers, as well as their past frequency and the rates of historically booked properties. Given natural churn patterns, there were some challenges in modeling the booking propensity based strictly on these behavioral variables.

Solution

The team decided to leverage Experian's ConsumerView database of demographic, behavioral, lifestyle and interest insights to enrich and supplement its existing dataset. Key variables, including occupation detail and income, enabled the team to improve the existing accuracy of the model and better prioritize prospects for tailored promotional offers.

To support the growth of the Cambria Hotels brand, Choice Hotels deployed multiple marketing strategies to drive targeted customer acquisition in support of near-term RevPAR goals, and build long-term brand affinity and loyal guests. One strategic lever was email acquisition among the existing Choice universe of dormant and active customers. The goal of this initiative was to identify guests most likely to stay at a Cambria property – ones most interested in paying more for upscale experiences. To help with this initiative, the Business Intelligence Group at Choice developed a propensity model to assess guest likelihood to book properties with higher rates.



Choice Hotels

Results

Embedding Experian ConsumerView into its operations, Choice deployed a series of ongoing campaigns to drive adoption of key Cambria properties among its core customer base. These campaigns, which occurred monthly, routinely exceeded expectations and were significantly more likely to generate incremental revenue to the brand compared to the existing business strategies. Test and control experiments validated high degrees of incrementality generated across multiple channels. This effort also had the dual effect of ensuring that promotions were highly targeted, nearly halving its typical unsubscribed email rates, enabling other personalization opportunities.

“Without Experian’s ConsumerView, it would have been extremely challenging to develop robust predictive models and guest segmentation in support of Cambria. While we typically leverage a host of behavioral booking variables, Experian adds a critical dimension of demographic intelligence that fills in the key blanks.”

— Jonathan Chin, Manager, Predictive Analytics

Beyond the success of these campaigns in support of Cambria Hotels, this led to wider adoption of guest-level predictive modeling as a significant tool for acquisition across a range of other campaigns, including partnerships, customer segmentation and Guest Lifetime Value (LTV) modeling.

“The strong performance of these campaigns didn’t stop with Cambria. The successful integration of Experian ConsumerView, enabled the team to deploy other acquisition and segmentation models in partnership with our loyalty and marketing business teams.”

— Olga Nielsen, Senior Director, Business Intelligence Group

About Choice Hotels® & Cambria® Hotels

Choice Hotels was founded on the midscale segment over 80 years ago when it started the Quality Inn® brand, and today one-in-four midscale hotels in the United States is a Choice brand. Through the years, the company evolved to meet the changing needs of guests and franchisees, and now offers a diverse family of distinct brands that provide a range of high-quality lodging options in the upscale, upper midscale, midscale, extended stay, and economy segments, such as Cambria® Hotels, the Ascend Hotel Collection®, Comfort® and WoodSpring Suites®. Choice originally launched the upscale Cambria Hotels brand in 2005 but began focusing on a new growth strategy in 2015 to accelerate its expansion. This resulted in bringing the brand to several primary U.S. markets in recent years, including Chicago, Dallas, Los Angeles, Miami and New York. To differentiate itself, the brand is designed for the modern traveler, offering guests a distinct experience with simple, guilt-free indulgences allowing them to treat themselves while on the road. Properties feature compelling design inspired by the location, spacious and comfortable rooms, flexible meeting space, and local, freshly prepared food and craft beer.

To learn more about Choice Hotels, visit their website at www.choicehotels.com.

To learn more about Experian’s marketing solutions, visit www.experianmarketingservices.com.