

Guest Experience Personalizer (GEP): Using Data to Improve Loyal Guest Retention and Revenue



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Current State of Hotel Loyalty Programs



According to the famous Pareto principle, 80% of hotel revenue is produced by the top 20% of customers - in our case, these are our top loyalty guests.

New areas of competition (especially homesharing sites) are increasing the need for a new approach.

The only way to increase the loyalty program effectiveness is to work on the customer factors.

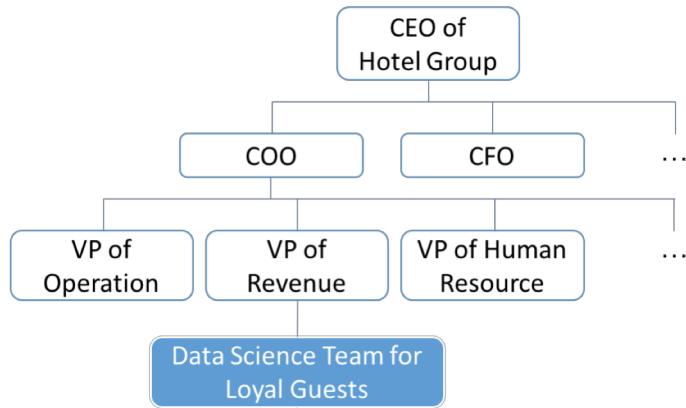
Organizational Context

Authors:

Data Science team

Data available:

Public data (social media, weather, etc.)
Proprietary ABC Hotel Group data
(e.g. pricing models, billing history)
External data (demographic data
append)



The Problem

How can we create a personalized, enjoyable, and data-driven experience for our most loyal and valuable hotel guests to improve overall **guest satisfaction**, average **revenue per guest**, and overall **hotel revenue?**



Our Solution: Guest Experience Personalizer (GEP)

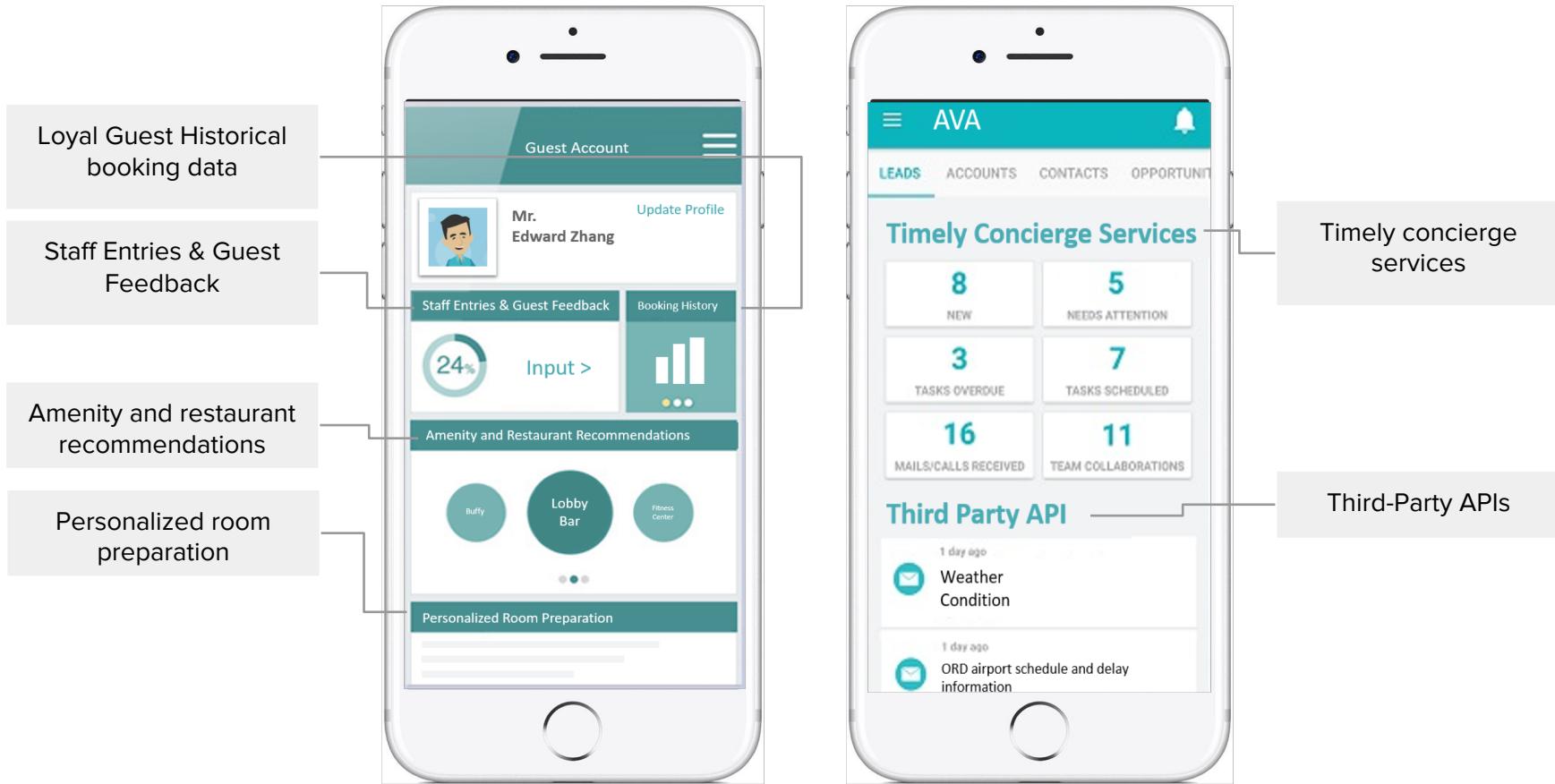
An all-in-one solution that utilizes the data of our highest-paying customers to build more individualized profiles for the most loyal and valuable hotel guests.

AI-powered virtual assistant (AVA)

Augmented guest profile (AGP)



AI-powered Virtual Assistant (AVA)

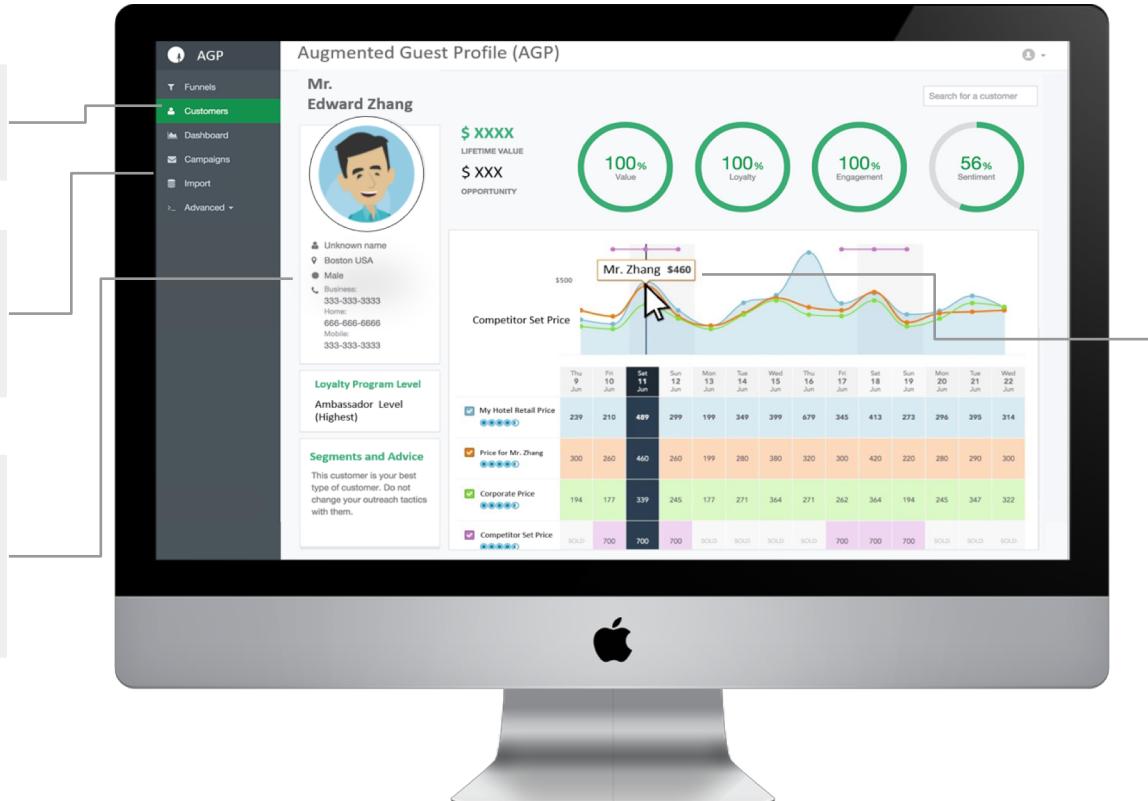


Desktop Solution - Augmented Guest Profile (AGP)

Hotel's Pricing System

Loyal Guest Historical Booking Data

Engagement Data (i.e. email open rates, transaction history)



Personalized Pricing

Desktop Solution - Augmented Guest Profile (AGP)

The image shows a desktop computer monitor displaying the Augmented Guest Profile (AGP) software interface. The interface is divided into several sections:

- Demographic Details:** Shows basic information like name (Mr. Edward Zhang), gender (Male), and contact details (Business: 333-333-3333, Home: 666-666-6666, Mobile: 333-333-3333).
- Targeted Promotions:** Shows product recommendations (Hotel A dining package, Hotel B vacation package).
- Segmented Customer Base:** Shows the guest's Loyalty Program Level (Ambassador Level (Highest)) and Segments and Advice (This customer is your best type of customer. Do not change your outreach tactics with them).
- Engagement Data:** Shows Lifetime Value (\$ XXXX), Opportunity (\$ XXX), and four circular metrics: Value (100%), Loyalty (100%), Engagement (100%), and Sentiment (56%).
- Booking History:** Shows a list of recent activities and bookings:
 - Web action: Visit (January 24 2015 at 7:00 PM)
 - Email click rates (December 21 2014 at 7:00 PM, Email ID: 2)
 - Received an email (December 20 2014 at 7:00 PM, Email ID: 3)
 - Historical Booking (December 21 2014 at 7:00 PM, Email ID: 2)

Meet Mr. and Mrs. Zhang

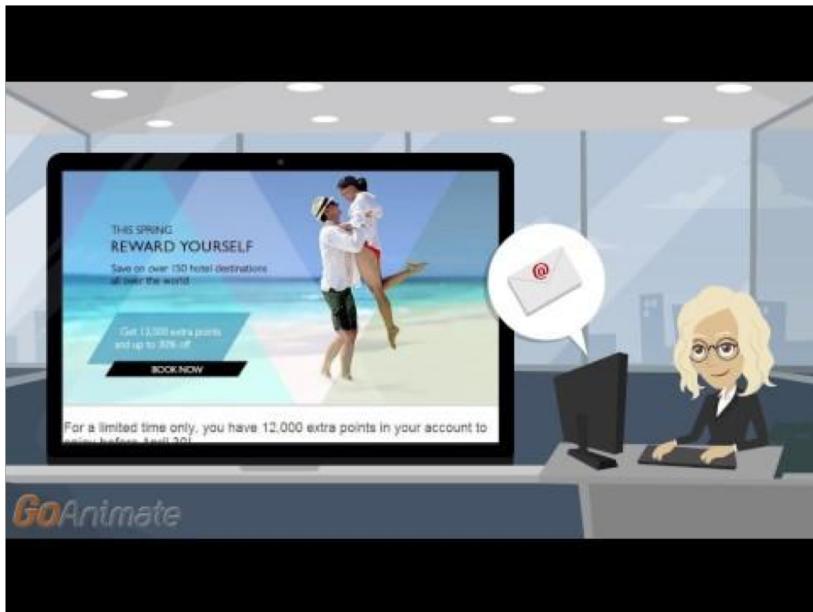
Imagine this scenario:

Top level loyalty guests, Mr. and Mrs. Zhang, are looking to make a reservation for a week-long vacation with their children in a resort hotel.

Using GEP, the hotel manager can plan ahead and make the Zhangs' stay a perfect one. GEP ensures this through four key steps:

Video link:

https://drive.google.com/file/d/1MbKdP3_y5XJ oYJTzlzqDrDNnq7ZsLHc4/view?usp=sharing

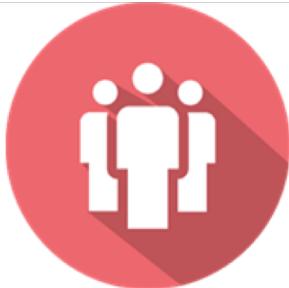


Important Considerations



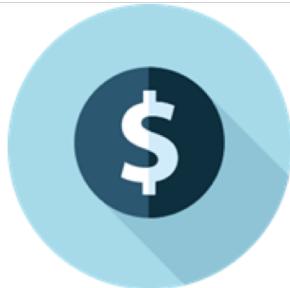
Data Privacy

To prevent issues of guest data privacy, hotels must offer guests the option to opt-out.



Sharing of Loyalty Memberships

To discourage cross-use of loyalty membership cards and the muddying of customer data, hotels must verify member identity upon check-in.



Upfront Implementation Costs

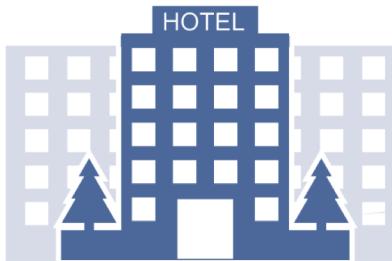
To ensure financial viability, hotels will need to select the level of granularity of the service provided based on projected revenue.



Law of Small Numbers

Data of unusually high-end guests should not be used in aggregations of guest clusters.

Conclusion



In hotels where the GEP platform has been piloted



Average **guest satisfaction score** ↑
12 points from 70 (on a scale of 100)



Average **revenue per guest account**
↑ **86 USD** per year.



Average **total revenue for each hotel** has ↑ **5%** per year.

Including personalized services and pricing for loyal guests, the GEP platform provides the ABC Hotel Group with the building blocks needed to begin forecasting market demands, offering promotions and campaigns at scale, and providing scheduled reports and service recommendations to hotel operation team.

Dear guests of ABC Hotel

Thank you for staying with us!

*thank
you*

A large, elegant, black cursive script reads "thank you". The letters are fluid and expressive, with small, colorful floral and leaf-like motifs in shades of blue, yellow, and green sprouting from the left and right sides of the word.

Sincerely,
Charlene Chen
Joanna Huang
Jennifer Podracky