



Luxury Hotel Locks in Loyalty

11/13/2006

Issue: November 13 2006

By Jason Compton

<http://www.1to1media.com/view.aspx?DocID=29915>

The Portola Plaza Hotel at Monterey Bay (California) doesn't have the comfort and constraint of a corporate chain partner guiding its marketing strategies. So the hotel has found new ways to attract loyal guests for more frequent stays during slow business periods, and is leaning heavily on customized one-to-one messaging to put more heads on its pillows.

"In the past, our campaigns were very generic, with no personalization or variable data," says Wade Bryant, director of sales and marketing at Portola Plaza. "Now, as an independent property, with a budget that's not huge, we had to find some cost-effective ways to attract people." The Plaza's campaigns never returned much more than a 2 percent response rate. "Nothing stellar," Bryant shrugs.

Personalization performs

After researching its customer base and finding that nearly half of its business comes from a steady leisure travel business in the Northern California area, Portola decided to reach out to those core customers with a custom print campaign. It was designed to catch the eye with an attractive appeal for a mid-summer stay. Working with custom print campaign specialist L2 Inc., Portola sent out postcards depicting the Monterey beach, with a welcome message featuring the recipient's first name digitally scribed in the sand.

Although it was the first attempt at something so leading edge for Portola, Bryant was confident the campaign would be a winner among his loyal customers. The finished campaign featured the customer's name custom-printed multiple times, along with a unique Web address encouraging reply and booking. "We had looked at some case studies from non-hotel organizations that had done variable data like this with personalized URLs, and results were in the five to 15 percent response rate," he says. "That piqued our interest as to how we could do it cost effectively."

Results

The campaign was sent out in early summer to roughly 20,000 recipients, offering discounted rates on stays two to three weeks out from the delivery date. Responses were extremely strong, with better than a 7 percent overall response rate, and better than 10 percent conversion from the respondents. In simple revenue terms, the campaign returned better than 300 percent to Portola Plaza, far in excess of its typical campaigns.

Bryant is confident that the strong performance of this targeted campaign was no fluke, nor was it the result of an unusually strong discount. "We've done [lower] rates, we've had some with much more value-add in them, and to a lot of the same people as in this campaign, and still had those one to two percent returns," he says.

Next steps

The hotel is working additional personalized print campaigns into its 2007 budget as a result of the strong performance of this initial one. "The goal now is to use variable data images that suit some of the likes and dislikes these customers told us they wanted" through responses to the first campaign, Bryant says about planning the four variable print campaigns slated for the new year. "The campaign was still pricey compared to [traditional] direct mail, but given the response, it was absolutely worth it."

Portola Plaza won't transform its entire marketing organization overnight to exclusively use custom-print pieces. "It was a learning process for all of us setting up the personal Web site, reminder emails, and making sure printed images matched up to personal Web sites," Bryant says. "It requires a lot of pre-planning. But we know people like to see their name in print."